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NEWS SUMMARY

GENERAL

Hijackers gain release of prisoners

Indonesia last night agreed to release 80 political prisoners in response to demands by hijackers holding 44 hostages on a plane at Bangkok airport since Saturday.

The reply came just as a deadline set by the hijackers was reached.

They had demanded freedom *for the prisoners and $1.5m* (£672,000) in cash. The government reply did not mention the ransom.

'Coup plot' call

Labour MP Ted Leadbitter urged the Prime Minister to set *up an investigation into* the alleged plot to overthrow the Wilson Government in 1968.

Arms plea to U.S.

The U.S. will today be asked by NATO allies to commit itself to nuclear arms control. Page 2

Receipts hit

Civil servants' disruptive action has brought a 20 per cent shortfall in Government receipts, the Commons was told. Page 13

Oil price talks

OPEC members began discussing fixing the world price of crude oil by index-linking it to Western economic growth and inflation rates.

Finns falling out

Finland's coalition Government could collapse today if the Communists, one of four parties in it, do not endorse a national wage agreement.

Pupil swap urged

Social Democrat leader Shirley Williams called for exchanges of pupils between public and comprehensive schools, so they could see how the other half lived. Page 13

Win for Mugabe

Zimbabwe Premier Robert Mugabe's Zanu-PF party won all 47 seats in Salisbury's local government elections.

Bishop named

The Rt. Rev. Graham Leonard, Bishop of Truro, is to become Bishop of London.

Jewel theft

Thieves at Paris Charles de Gaulle airport stole jewels worth FFr 9m (£810,000) from Mrs. Robert Hocq, mother of the head of Cartiers jewellers.

Railways warning

Deterioration of track and *signalling on rural railway* lines is reaching a point of no return, the Policy Studies Institute said. Page 11

Funds threat

Recession in the Midlands could force companies to cut contribu*tions to Tory Party funds*, a Labour MP claimed. Page 13

Cosmonauts land

Two cosmonauts, one Soviet and one Mongolian, returned to earth after almost a week. Two others remained in space.

Cold rush

Some 1,100 Kirghiz tribesmen, refugees from Afghanistan, told the U.S. embassy in Islamabad, Pakistan, they wanted to emigrate to Alaska.

Briefly . . .

Human Rights *activist* Tatyana Osipova goes on trial in Moscow today for anti-Soviet activities, dissidents said.

Le Sommeil, by Salvador Dali, sold for a record *£360,000* in London.

BUSINESS

Dollar easier; gilts off by 0.54

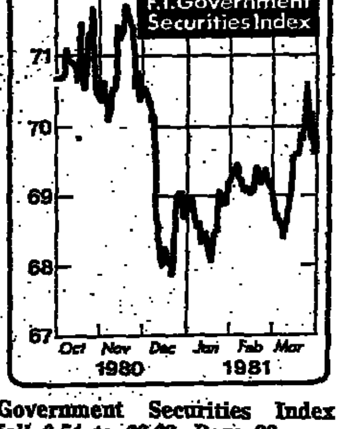
● **DOLLAR** was easier, losing ground sharply towards the close. It finished at DM 2.1050 (DM 2.1150) and SwFr 1.9190 (SwFr 1.9300). Its trade-*weighted index fell to 100.5* (100.7). Page 25

● **STERLING** closed at $2.2335, a rise of 55 points. It finished at FFr 11.1100 (Fr 11.1050) and DM 4.7025 (DM 4.7100). Its trade-weighted index rose to 100.6 (100.4). Page 25

● **GOLD** fell $17 to $522.5.

● **EQUITIES'** underlying tone *was relatively firm*. The FT 30-share index was off 2.5 at 518.8. Page 32

● **GILTS** market backed away from renewed selling. The



Government Securities Index fell 0.54 to 69.62. Page 32

● ***WALL STREET*** was up 6.12 to 1,000.90 near the close. Page 30

● **HONG KONG**: the Hang Seng index *was* off 63.87 at 1,377.79 on property market *worries and interest rates* concern. Page 30

● **SAUDI ARABIA** will not discuss co-ordination of production rates with other OPEC members until a unified price structure is agreed, *Sheikh Ahmed Zaki* Yamani, Oil Minister, said.

● **ARGENTINE** foreign ex*change dealings were suspended* ahead of an economic package expected today.

● **EEC STEEL** producers seemed near a voluntary production pact provided Kloeckner *Werke of West Germany* moderated its quota demands. Back Page

● ***UK FISHERMEN will*** receive another £25m special Government aid to see them through their financial difficulties. Back Page; Parliament, Page 13

● **VICKERS GROUP** will reorganise its defence systems division at Elswick works, Tyneside, and *close its non-ferrous* metals division with the loss of over 600 jobs. Page 10

● *ICI said its* UK *chlorine* business would be at considerable risk unless electricity charges are cut. Page 10

● **CITY OF LONDON** arranged a *$1.8bn* (£808m) package to cover the contract value of a power station to be supplied by a British consortium to the China Light & Power Co. in *Hong Kong.* **Back Page: *How* the order was won, Page 19**

● **CSI**, the Council for the *Securities Industry, said professional* managers who look after other people's funds "*should be* restricted in their personal dealings in securities." **Back Page; Details, Page 10**

● **BLUE CIRCLE** Industries, the UK's largest cement manufacturer, will *spend* £100m on a cement works in Oxfordshire and improvements to its Northfleet works. **Back Page**

● **OCEAN TRANSPORT** and Trading, shipping group, reported 1980 pre-tax profits well ahead at £35.5m (£19.7m). Dividend is *raised marginally to 9p* (8.9p). **Page 20; Lex, Back Page**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
A.P.V.	240	+ 20
Amalgamated Metal	310	+ 27
Avana	245	+ 8
Braby Leslie	46	+ 8
Davies (Godfrey)	79	+ 6
Flight Refuelling	347	+ 12
Freemans (London SW9)	134	+ 8
ICL	43	+ 7
J.B. *Holdings*	58	+ 8
Lane (Percy)	45	+ 4
Low & Bonar	200	+ 12
Minster Assets	81	+ 3
Morrison (William)	232	+ 14
P. & O. Dfd.	148	+ 5
Savoy A	200	+ 18
Selincourt	13	+ 2½
Sound Diffusion	124	+ 8
Steel Bros.	155	+ 18
Stocklake	105	+ 6
Westland Aircraft	144	+ 7
Intl. Petroleum	225	+ 15
Bertam Cons.	93	+ 13
Jitra Rubber	75	+ 14
Singapore Para	108	+ 16
Mount Carrington	60	+ 12
Paringa Mining	70	+ 6
Tanks Cons.	345	+ 5
FALLS		
Exchq. 12¼pc 1985	£98	− $\frac{5}{16}$
Exchq. 12pc 1999-02	£92¼	− $\frac{3}{8}$
Blue Circle	414	− 6
Firth (G. M.) Metals	57	− 4
Land Securities	424	− 6
Sangers	70	− 6
Thorn EMI	326	− 8
BP	376	− 4
Shell Transport	374xd	− 9
ERGO	430	− 36
Impala Platinum	380	− 20
Poseidon	257	− 10

Solidarity suspends strike threat after seven hours' talks

BY CHRISTOPHER BOBINSKI IN WARSAW

POLISH trades unions negotia*tors agreed to suspend* the threatened indefinite general strike called for today *following* seven hours of negotiations with a government team led by Mr. Mieczyslaw Rakowski, the deputy premier.

"Common sense and moderation have won," said union leader, Mr. Lech Walesa, claiming he was satisfied with "70 per cent *of the agreement*."

But Mr. Walesa, leader of the Solidarity union movement, faces another test of his negotiating powers in Gdansk *today* when he has to persuade Solidarity's national committee *to approve the peace* deal.

The lack of clear-cut concessions *will make the leadership* of the union suspicious, but Mr. Walesa and his fellow negotiators came away with progress on all the main demands, *even though some* of the union team, including Mr. Andrzej Slowik from *Lodz and* Mr. Marian Jurczyk from Szczecin left the talks *evidently* unhappy.

On the union demands for the punishment of those it blames for the Bydgoszcz incident last week when a union *leader was beaten* by police, the authorities have in effect agreed to *dismiss local officials*, punish the police officer in charge, and carry out an investigation with the participation of Solidarity into the reasons for the attack.

This represents a serious blow *for the powerful Interior* Ministry which controls the police.

The authorities have also once again stressed that the safety of union members is guaranteed.

As for the union *demand* that the authorities recognise the right of Poland's farmers to a trade union the Government has said it will *not question* the legality of the existing independent farmers' organisation until a law regulates the issue in Parliament.

This de facto recognition represents a significant con*cession in the face of* the *total* refusal by Mr. Stanislaw Kania, the Communist Party leader, to agree to a private farmers' trade union.

Both sides have issued a joint statement that they will do *everything to "avoid tension* on this issue." A special Parliamentary commission, set up recently to oversee agreements signed with workers last summer, will take up farmers' rights.

*This group, headed by Pro*fessor Jan Szczepanski, a well-known sociologist and a member of the Council of State, the joint presidency, who participated in yesterday's talks will also examine the question of an amnesty for all dissident activity.

This commission, which consists mainly of people well-disposed towards the changes since last summer, now has the chance of playing an important role in future developments.

In the early hours of yester*day morning a stormy meeting* of the party Central Committee, the *party's policy-making body*, ended without any changes in the leadership. While the ranks of the hardliners remain intact, they were subjected to an unprecedented wave of open criticism directed at the policies *of the leadership which* have led to the present crisis.

The meeting decided to call the next party Congress by July 20 and carry out "democratic" elections of officials.

The speeches at the meeting *revealed a clear-cut division* between the hardliners in the *leadership like* Mr. Stefan Olszowski and Mr. Tadeusz Grabski and speakers representing rank-and-file party organisations and members.

The coming months *will see* a grass-roots campaign within *the party to get rid of conserva*tives within the party.

It seems unlikely that the more obdurate hard-liners will be elected as delegates at the

Continued on Back Page

Banks suspend dealing in battle for Belgian franc

BY LARRY KLINGER IN BRUSSELS

BELGIUM'S commercial banks yesterday suspended foreign exchange dealings at their branches in Brussels as political *party leaders and government* ministers were preparing for another long night of crisis talks over what is now being openly referred to here as "the *battle to save the franc*."

At the centre of the discussions are proposals put *forward* by Prime Minister Wilfried Martens' Christian Democrats, the leading partner in the two-party coalition Government, for *a virtually complete wage freeze* until the end of the year. This would be achieved by freezing until then payments due under the country's system of inflation rate indexed wage rises.

If the talks collapse, there is *no doubt that the Government* would fall.

The state of jitters in Brussels reached such a point during the late afternoon that rumours were freely circulating at diplomatic levels that the Belgian franc had already been devalued.

The Belgian franc has come under intensified pressure since the devaluation of the Italian lira 10 days ago.

Yesterday it remained all day *at its lowest permitted level* within the European Monetary System against the D-mark and French franc and was also very weak against the Dutch guilder.

Heavy intervention was needed by the Belgian National Bank to prevent the currency breaching EMS limits, with official government policy remaining firmly set at defending the currency on the foreign exchange markets.

This operation has become increasingly costly, with the National Bank spending almost *BFr 22bn (about £283m) in two* days alone last week, or more than twice the weekly level of recent such operations.

While there was clear evi*dence with the banks' suspen*sion at 12.45 pm. that machinery had been activated for a possible full suspension of foreign exchange dealings, the Prime Minister's office unequivocably denied that devaluation was *imminent*.

The proposal to freeze indexation payments until the end of the year would save the Government a further BFr 8bn in public sector pay. Inflation is currently running at 7 per cent

Continued on Back Page

The chart shows the fluctuation of the Belgian franc from its central rate against the European currency unit. The franc crossed the threshold "divergence limit"—which is supposed to trigger off Government support action—about six weeks ago and has since weakened progressively further.

Barclays to raise capital in U.S.

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

BARCLAYS BANK plans to become the first major European bank to raise loan capital on the U.S. stock market. Barclays, *which by some* measures is the world's biggest bank, said yesterday further information on the debt issue will be given shortly.

The move will involve Barclays in extensive further *disclosures about* its financial affairs, including further details about the composition of costs and income, as well as breakdowns of deposits and advances.

A U.S. public securities offering has been expected from Barclays for some time *to help* to finance the group's rapidly expanding U.S. operations.

Over the past two years Barlcays have invested $400m in the U.S., and now has *more than* 600 offices there. It is represented in 36 of the 50 States, employs about 8,000 staff, and has total North American assets *in excess of $9bn*.

The proposed U.S. debt issue comes on the eve of Sir Anthony Tuke's *departure* as Barclay's chairman, a post he has held since September, 1973.

In his farewell statement to shareholders Sir Anthony permits himself a few critical comments about the lack of flexibility which has characterised banking, and UK banking *in particular, for much of the* post-Second World War period.

He says: "I believe we were to wedded to *the traditional* adage of what was and what was not a 'banking proposition' . . . ; perhaps we should have grasped the medium-term nettle 25 years ago.

"This would have provided a valuable facility, not least to enable the smaller businesses to have easier access to money for *modernisation and re-equipment*."

Later in his statement Sir Anthony *suggests* that "perhaps the only major original package that *has emerged* (in UK banking) in the past 15 years has been the birth of Barclaycard in 1966."

Looking ahead Sir Anthony says Barclays must ensure that it is able to offer every form of finance *for all citizens*. "This will certainly include a mortgage," he says.

Barclays annual report, Page 20
Lex. Back Page

CONTENTS

For latest Share Index phone 01-246 8026

Shots fired at Reagan

SEVERAL shots were fired at President Reagan as he left a downtown Washington hotel last night. The President was hit along *with two bodyguards* and Press Secretary James Brady, according to initial reports.

Secret Service agents pushed the President into his armoured car which sped away from the Washington Hilton Hotel, leaving the *three* wounded men lying on the ground.

President Reagan was taken to hospital with Mr. Brady who had head wounds.

Police detained a sandy-haired man who appeared to be in his late 30s, CBS Television reported.

The President had delivered a speech to the AFL-CIO's building construction trades conference at the hotel shortly before the shooting.

President Reagan had emerged from the hotel's VIP entrance and reporters were trying to shout questions to him when about four shots were heard.

Bank Governor cautious on recovery timing

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

MR. GORDON RICHARDSON, Governor of the Bank of England, was more cautious yesterday about the timing of the recession's trough than *were Treasury Ministers in the* past fortnight.

Speaking to an all-party committee of MPs he said it was "terribly difficult to predict turning points in the economy."

After stressing the balance *of opposing forces* Mr. Richardson said the impression from *companies talking to the Bank* was that "the worst of the pressure caused by the rundown in stocks was beginning to ease."

He noted "*some reports of* the cautious restart of ordering" *but said this was not strong* or general.

Mr. Richardson said he did not know "at what stage the economy would hit the bottom and at what stage an upturn would come." Anyway, he said, any upturn would not come with a rush and would not be strong.

He referred to several factors restraining any recovery, notably the impact on export prospects of the loss of competitiveness.

The Governor also stressed that the British people could themselves reduce the length of the recession by considering the need to contain costs and to make the UK more competitive.

Mr. Richardson's comments about the timing and nature of the recovery contrast with the optimism of Treasury Ministers who over the past fortnight said *the economy was at or near the* bottom and that a steady upturn was likely over the next 12 months.

In a 2½ hour-hearing in front of the Treasury and Civil Service Committee of the Commons Mr. Richardson backed the thrust of the Government's strategy but was cautious in discussing claims made for the policy and the economic outlook.

In particular Mr. Richardson expressed clear reservations about the bank profits tax announced in the Budget. He said he could not conceal that he would have been happier if *the money had been raised in* other ways.

This indicates the Bank's *doubts last year* and this about the desirability of such a tax, proposed by *Treasury Ministers*.

Mr. Richardson was also asked about the index-linked gilt-edged *stock announced in the* Budget and launched last week. He said he had some anxiety about the wider spread of indexed securities because of the impact their competition might have on equities.

The Governor was also questioned on details of monetary policy and monetary control. He made clear no early move to monetary base control *was likely. This control involves* a more direct restriction of the resources of the banking system.

The Governor said the recent changes in monetary control announced after the Budget were desirable in themselves and separate from any decision about moving to monetary base control. Such a decision had *not* been taken and there would have to be lengthy discussions and consultations before such a decision was reached.

Trinidad Prime Minister dies

By Hugh O'Shaughnessy

DR. ERIC WILLIAMS, Prime Minister and Finance Minister of Trinidad and Tobago, died aged 69, on Sunday night. Mr. George Chambers, Minister of Agriculture, *was named yesterday to succeed him in a caretaking capacity*.

Announcing the news of Dr. Williams' death and Mr. Chambers' nomination, President Ellis Clarke, head of state of the oil-rich Caribbean republic, said that the appoint*ment was temporary*, pending a meeting of the ruling People's National Movement (PNM) to choose a leader.

The death of Dr. Williams, who was the *architect* of the country's independence in 1962 and *who had* headed the Government without interruption since 1956, comes as the islands prepare for elections later this year.

Under Dr. Williams' guidance the middle of the road PNM was hoping for yet another term in office. His departure could, according to political observers, weaken the ruling party and give a chance of victory to the *recently created Right of centre* Organisation for National Reconstruction led by Mr. Karl Hudson-Phillips, formerly a close associate of the late Prime Minister with whom he broke in the late 1970s.

Dr. Williams' death will also have major repercussions within the Commonwealth Caribbean. His personal objections to President Forbes *Burnham of Guyana* and to many developments in Jamaica had led Dr. Williams to stall meetings of Caribbean Heads of Government. This had in turn made the work of Caricom, the regional co-operation agency, *slow and difficult*. In spite of this Trinidad and Tobago had offered oil on easy terms to the poorer Commonwealth Caribbean countries, an arrangement which is likely to be maintained by any new Government.

David Renwick writes from Port of Spain, Trinidad: Dr. Williams' firm but liberal rule has been generally credited with keeping Trinidad and Tobago politics stable while preserving the essentials of the Western democratic tradition inherited from the Westminster system.

His death raises questions about how successfully the PNM party can survive without him. His cautious approach to developing a successor has meant that no candidate has emerged who obviously commands the support of the majority of Cabinet and party members.

Aluminium producers form trade body

By Roy Hodson

A BODY called the European Aluminium Association has been formed by the 19 primary aluminium producing companies in Western Europe to represent their common interests. The headquarters will be in Dusseldorf.

The European producers believe they are under threat from several directions, including the rapid growth of competitive production in some developing nations, fierce trade competition from Comecon and increasingly restrictive legislation.

The association has been established in such a way as to give it wide responsibilities for the various aspects of aluminium production.

Producers of secondary aluminium have a corporate membership through the Organisation of European Aluminium Smelters. There will also be a division for makers of semi-fabricated aluminium products who will be represented through national groups. The foil-makers are expected to be invited to join as well.

The constitution of the EAA's first permanent committee indicates that it will be much concerned with the growing problems of producing aluminium within modern environmental legislation. The new committees cover, among other topics, food and packaging, energy-saving, recycling, pollution abatement, and occupational health.

Dr. Lenore Ernst has been appointed secretary general and Mr. L. S. F. "Dick" Charles, managing director of British Aluminium, is the first chairman. Other members of the executive are Sig. G. Callaioli of Italy, Dr. R. E. Wiesinger, of West Germany, and Dr. R. K. Himmel, of Switzerland.

Hardened W. German rioters and more mild-mannered youth are drawing closer, writes **Roger Boyes**

'Violence against property, that's what counts'

OUTSIDE KOMM, Nuremberg's self-governing youth centre, is a discreetly parked Opel saloon, inhabited, from four o'clock to midnight, by a man with a moustache like a Mexican general. He is a Bavarian policeman, patiently counting the hours before the youth revolution explodes on to the cobblestones.

Inside Komm, Norbert, who answers the telephones, has worked out an epigram which he rehearses on people who look like journalists. "To be paranoid in Germany," he says, "is to be in possession of all the facts." The 15- and 16-year-olds, with their lumpy army surplus jackets and flecked Palestinian guerrilla scarves, look out at the Opel and nod agreement. "It's a dictatorship," they say.

Wild hyperbole, of course, and a degree of self-dramatisation, "them against us." But there is good reason for the watchfulness and distrust. An extraordinary incident three weeks ago has shifted the focus of West German attention away from the slightly academic question of "What is irritating the youth of today" to the more serious and pressing issue of "What are the limits and responsibilities of state power."

There are two versions of the story: that told by the police and that by the young people. This account attempts to draw a middle line and would probably be acceptable to both sides. Two weekends ago a couple of hundred youths gathered in Komm, just outside the mediaeval city walls of Nuremberg, to watch a film about the squatters in Amsterdam. Enthused by the film—Nuremberg like many West German cities has a housing problem—some of the young people decided to demonstrate in the centre of town. Things got out of hand and six shop windows were broken.

The police watched but were content to take photographs. A handful of demonstrators then returned to Komm and the police moved in, arresting 141. It was, as liberal West German newspapers were quick to point out, the largest police round-up since the end of the Third Reich.

Most of the arrested—about half were under 18—were held for some four days before being allowed to contact relatives or lawyers. The last was freed two weeks after the incident. No charges have been made, although investigations continue.

The net effect of this probably ill-considered move has been to radicalise youth not only in Nuremberg but in other West German cities. It has bridged the considerable gulf between the generally peaceful young demonstrators and the genuinely tough, aggressive protesters, and has given West Germany's youth movement what it most needed: a cause which accurately reflects their frustration and sense of injustic. That is why 15-year-olds speak about dictatorship in a country justifiably proud of its complex system of democratic checks and balances.

Over lemon tea at Komm, which used to be the city's "House of Artists" under the Hitler regime and later fell into disrepair until the youth centre took it over, the talk is of a new movement called the March 3 group. March 3 was the day of the arrests.

Two weeks ago, supporters of the movement threw a Molotov cocktail into a building society office, causing considerable damage. Teenagers from wealthy middle class families, whose main concern three weeks ago would have been about missing the last bus home, now express qualified backing for such acts. "Violence is the only way that we can show people what is wrong," says a young girl in a baseball cap. "But violence against property, that's what counts." Of the seven people at the table (whose collective age was about 98), only one, a strict pacifist, disagrees.

An injured girl is carried from a demonstration which turned violent when some protestors started smashing windows and destroying cars.

The reporter, trying to blend in a leather jacket and a roll-neck sweater, decides to call their bluff: "How do you make a Molotov cocktail?"

They do not know, but they know who does and a couple of the tea-drinkers take the reporter to a house occupied by squatters near the Johannisstrasse. It is an old tenement building—with a smell of rotting clothes and cabbage soup. The plaster is peeling, but daubed with slogans to cover up the imperfection. One, as high as a basketball player, says simply: "Zorn (Anger)."

Willi, who seems to have learned English the hard way through listening to 20 years' worth of American disc jockeys explains he is "into" punk, hard rock, purple and green pills, chaos, smashing glass, motorbikes and pushing the State to the brink "to show the dictatorship for what it really is."

The rest of the time he is an apprentice in a small workshop on the other side of town.

He describes how to make a Molotov cocktail and the reporter believes him: the thickness of the bottle, the amount of petrol needed, other types of fuel, the length of the taper, whether to throw it over-arm or under-arm. The reporter decides uncomfortably that this is probably enough field research and heads for the door, such as it is.

Willi blocks the exit, menacing eyes, bad breath: "You from Rolling Stone?" he asks. The reporter grunts non-committedly, in what he hopes is a Californian manner. The moment passes, Willi loses interest. "He is not really 'into' communication.

The alarming element in the West German youth revolt is that the gap between professional rioters like Willi and the mild-mannered Komm visitors has been, temporarily at least, bridged with the help of police ineptness and a general political confusion about what "youth policy" really is.

The Willis are not rejected by young people, rather they act as the vanguard of the movement. They are the sinister ones who go to anti-nuclear rallies with crash helmets, black masks, padded jackets and the inevitable box of matches. But they are also the ones who ensure that the television cameras turn out in force.

The liberal "solution" to the youth revolt is to isolate the easily led young idealists from the toughs by showing a willingness to pursue a dialogue and by addressing such specific problems as the housing shortage, in other words, wooing the moderates away from the extremists.

The extremists remain a problem for the police, but in such cities as West Berlin, the police have been specifically instructed not to rush into a confrontation. At times that means allowing squatters to continue occupying houses, although this is against the law.

The hard-line approach, supported in particular by Herr Franz Josef Strauss, the Christian Social Union leader in Bavaria, is that violence against property is a crime and therefore youth violence is a police problem, pure and simple. That, he argues, is the only way the "hard core" at the centre of the youth movement will be prevented from steering well-meaning young people into terrorism. The Christian Democratic opposition is also for improving the options available to the police, tightening demonstration laws (so that peaceful demonstrators in a protest which turns violent are guilty of a crime even if they personally do nothing), and issuing rubber bullets and anti-personnel chemicals to the riot squads.

While the West Berlin policy, advocated by Herr Hans Jochen Vogel, the Social Democrat mayor, seems preferable to rubber bullets, neither approach seems really to get to grips with the problem. The unrest, the weekly rioting, seems rooted in a sense of lost contact with the established political process.

In rural areas young West Germans can articulate their views through the "Greens"—the Ecologists Party.

But at a national level, even if the Greens could secure the 5 per cent of votes needed for representation, they would probably be over-shadowed by the large, established parties.

The youth who, thanks to the baby boom of the 1960s, now form a substantial part of the electorate, thus have no voice. Only street fighting has managed to attract their elders' attention. Now they have that attention, but until recently they had nothing very much to say. The Nuremberg raid has helped change that. There is new militancy in the air.

Europeans press U.S. over arms control

By Bridget Bloom in Brussels

THE UNITED STATES faces mounting pressure from its NATO allies to resume talks with the Soviet Union on controlling nuclear weapons in Europe.

At a key meeting of the alliance's Special Consultative Group here today, the U.S. will be asked to give an unequivocal commitment to arms control. It will also be asked to name a date for beginning negotiations specifically on limiting so-called "theatre" nuclear weapons, such as Cruise and the Soviet SS-20 missiles.

This will be the first formal meeting between the new Reagan Administration and with its NATO allies. It is also the first in a series of NATO consultations which will culminate in a Foreign Ministers' meeting on May 4.

Today's meeting, though specifically concerned with theatre nuclear force (TNF) will express the allies' concern that the administration of President Reagan, who roundly criticised the Carter approach to arms control during the election campaign, should clarify its stand both on TNF and on strategic arms negotiations.

The allies—among whom there appears to be remarkable unity—insist that the commitment on theatre nuclear force modernisation was double-barrelled. In return for a European agreement to base U.S.-owned and operated Cruise and Pershing missiles in five counrites, the U.S. agreed to negotiate a limitation of those and equivalent methods with the USSR.

The U.S. missiles are not due for deployment until late 1983 but European Governments, specially those of Belgium and the Netherlands which faces an election on May 26, are under acute domestic pressure.

The last and only negotiating session with the USSR was held last October, more as a political gesture by the retiring Carter Administration than as real negotiations.

It is recognised here that for domestic political reasons, Mr. Lawrence Eagleburger, head of the U.S. delegation, is unlikely to be able to announce a date now. The allies fear the U.S. will want to reopen the whole strategic arms limitation package negotiated by Mr. Carter and Mr. Brezhnev, to change the substance of the West's negotiating position. This has been that TNF limitation should be negotiated in stages the first being confined to the so-called long range weapons.

The European governments insist that they appreciate the domestic difficulties faced by the Reagan Administration but still require a firm U.S. commitment and some date for the resumption of talks on theatre nuclear forces and strategic arms limitation.

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Hunt for Reksten foreign fortune shows results

BY FAY GJESTER IN OSLO

THE SEARCH for the alleged secret overseas fortune of Mr. Hilmar Reksten, the Norwegian tanker magnate who died last year, seems to be having some success at last. His estate, declared bankrupt in December at the request of the Norwegian Finance Ministry, owes several hundred million kroner to a number of creditors, including the Inland Revenue, the Aker shipbuilding group and Hambros Bank of London.

A breakthrough came at the weekend, when unidentified people offered to pay the estate NKr 220m (£18.3m). The offer seems to substantiate government allegations that Mr. Reksten had extensive assets overseas.

A 1979 court case brought by the authorities failed to prove this, however. Mr. Reksten refused to testify, as did his family. Now, one of his sons has told the Bergen Probate Court that all the charges brought against his father were true.

He has replied to more than 250 written questions from the two official receivers of the Reksten estate, and is understood to have made available documentary evidence which will greatly help their hunt for the money.

Mr. Jens Thune, one of the receivers, said at the weekend that if the NKr 220m was paid to the estate by May 15, "we shall be finished with our inquiries in New York and London."

Indications that Mr. Reksten did have large overseas assets puts in new light the Labour Government's £80m rescue of his shipping companies during the tanker market crisis in the mid-1970s.

The loan guarantees were given on the assumption that no overseas Reksten fortune existed.

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Workers lay in for siege as deadline nears

BY CHRISTOPHER BOBINSKI IN WARSAW

POLISH MOTORISTS decided on Sunday night that the general strike called for today was going ahead and queues began to form at petrol stations. There have been exceptionally long lines at food shops for some days and people have also been withdrawing savings

The action planned today by Solidarity, the independent union, is quite unprecedented. Eight million people will occupy their factories and wait until their demands are met. By comparison on any one day at the height of last summer's strikes only 1.5m people downed tools. The prospect today that the great majority of the working population will support the strike.

At one of Warsaw's bus depots, Solidarity has laid in 3,600 eggs to feed those taking part in the action there. Last summer the authorities allowed food to be supplied to works canteens. If the worst came to the worst this time, the strikers will rely on family and friends to bring food to the factory gates.

Another vital question is how long the economy can survive. Industrial production has been falling since the summer.

The union has said that essential services must be maintained but, if the country came to a halt, it is doubtful how long they could function.

Ever since the strike alert more than a week ago, factories have been hung with the national flag and, even though the machines have been running, pickets have stood on guard against intruders. With the streets throughout the country also bedecked with flags, the atmosphere in the past week has been expectant. Backing for the strike is total in the union and society at large has placed its trust in Solidarity.

As the strike approached, the atmosphere in the streets grew tense. While the action is a great adventure for the young, older people with memories of the Second World War and experience of real hardship are dreading it.

This is not enough, however, to weaken the population's will. Awareness that the Soviet Union and other Warsaw Pact countries might intervene is ever-present. But Poles have lived with that prospect since August and are determined, in any case, that the union shall not be pushed off course. For that they are willing to risk a clash.

Yesterday evening people were getting ready to go to work with sleeping bags, blankets and bags full of food. One mechanic summed up the mood of the vast majority: "We'll strike, but if the union comes to an agreement with the Government then we'll all be enormously relieved."

New sense of urgency attends today's debt talks with banks

BY PETER MONTAGNON, EUROMARKET CORRESPONDENT

SOME 23 banks will sit down with Warsaw government officials in London today to begin the search for a formula to allow Poland to defer repayment of $3.1bn in international bank credits maturing this year.

The meeting comes against a backdrop of increasing political and economic strains enveloping the Warsaw government. It also follows hard on the heels of reports, strenuously denied by the banks involved, that Poland has already defaulted on some of its loan obligations to Western banks.

Worse still, some bankers believe the Soviet Union is showing increasing impatience with Warsaw's demands for financial help to tide it over the crucial debt rescheduling negotiations with Western governments and cmmercial banks.

Tensions are thus running much higher than they were three months ago when, in the words of one senior U.S. banker, quick progress might have been possible in any debt talks between Poland and the international banking community.

Failure to get the talks going soon enough—there seems to be no chance at all of any solution emerging from today's meeting —has lent a new sense of urgency. Poland is critically short of foreign exchange and its debt problem seems to be becoming more and more intertwined with the country's political future.

The talks with the banks basically hinge on progress being made in separate discussions with Western governments which have been asked to reschedule $4.4bn in debt maturing this year.

The governments have been dragging their feet on this partly because of the time taken by the new U.S. Administration to formuate a policy on Polish debt, and partly, many bankers suspect, because they see this as a way of inhibiting the Soviet Union from intervening directly in Polish affairs.

The Soviet Union knows that Western governments would find it politically very difficult to extend financial help to Poland if the country had been invaded by Warsaw Pact forces. In such an event Moscow would have to support not only the Polish economy, but also those of other East European countries who are heavily dependent on their trade ties with the West.

Moscow for its part has always been anxious to promote the good international credit standing of the Comecon bloc. Despite its evident displeasure at the growing influence of Solidarity, the independent Polish trade union, this has led it to provide Warsaw with several billion dollars to service its debt to the West this year.

But there are signs that its patience may be running out. Some bankers suggest that Moscow may be less willing than before to extend financial help to Poland simply because of irritation at the West's slow response.

Others believe that Poland's dependence on aid from Moscow may have given the latter a weapon with which to apply discreet but firm pressure on the Warsaw authorities to act on their own account against Solidarity.

The last thing the banks actually want is to have to declare Poland in default. Even if debt service payments are sometimes late arriving, the banks will do their utmost to avoid calling a default that would send the whole edifice of Poland's debt tottering.

Reports over the weekend suggesting that Poland is in default are thus untrue. But it does seem possible that two banks, Citicorp and Manufacturers Hanover, experienced delays in getting their oalns serviced.

This does not necessarily mean default. Venezuelan public sector companies, who otherwise repressed a pretty secure banking risk, are habitually late in paying their banks and no one is calling Venezuelan creditworthiness into doubt.

The fact that the word default has been used in public has heightened the bankers' sense of the need to deal urgently with the problem.

In the confusion reigning yesterday this sentiment was offset by an almost schizophrenic reluctance to make commitments. A U.S. banker was echoing the sentiments of many of his colleagues when he said: "We must do something quickly . . . but there is no chance of our agreeing collectively to Poland's request for $1bn in short-term bridging finance."

POLAND'S DEBTS ($) TO LEADING CREDITORS

	debt outstanding at 31/12/80 (including official debt)	repayments due to banks this year
West Germany	4.5bn	678m
United States	3.0bn	575m
France	2.5bn	378m
UK	2.0bn	220m
Austria	1.5bn	203m
Total	23.0bn	3.1bn

CRISIS IN POLAND

Fresh troop deployment continues

By Leslie Colitt in Berlin

THE WARSAW PACT continued to bring in fresh troops for manoeuvres yesterday as the Soyuz '81 military exercises in Poland and East Germany entered their third week.

Soviet, East German and Polish marines landed on beaches in Poland with clockwork regularity. Western military observers said there is evidence that new units are being landed all the time.

The new arrivals, according to East German news agency reports, are marched off into the interior of Poland to be "warmly welcomed" by the local population.

On the East German side of the Oder-Neisse border, East German and Soviet armoured and artillery units with support from missile battalions mounted what were called "surprise blows" to "conclusively smash the enemy."

The war games in and around Poland are the main item of news on East German television each evening.

Moscow steps up propaganda

BY DAVID SATTER IN MOSCOW

THE SOVIET UNION has intensified its propaganda campaign against Solidarity, the independent union in Poland, but, in an extremely tense situation, there is no way to know whether or not invasion is imminent. Discerning the Soviet leaders' true intentions is like trying to identify the original object in a hall of mirrors.

The Soviet Union has every reason to be concerned because the Polish workers have given an example of how to dismantle a Communist state which could be copied in every country in the Eastern bloc, including the Soviet Union itself.

Whether it must intervene to destroy this alternative model, however, is a question so fundamental to the Soviet Union's own future that it can only be decided on the basis of the most careful calculation in the Politburo and not in the heat of the "rising anger" suggested by reports in the Soviet Press.

All that can be said with certainty about Moscow's intentions is that all the preparations for an invasion have been made. Soviet troops on the Polish border are in a high state of readiness and the Soviet news agency TASS completed the propaganda preparation this weekend with a report accusing Solidarity of making intensive preparations for an open struggle for political power.

In references which were an unmistakable signal to Soviet citizens that military action may be imminent, TASS said that "subversive elements" in Poland seized post offices, and a television transmitter and had blocked a main road and destroyed road signs.

What remains to be seen is whether the Soviet Union is prepared to carry through with its preparations or is merely using the steady escalation of rhetoric and the extension of Warsaw Pact manoeuvres to exert psychological pressure on Solidarity and halt the growth of its power.

In the present situation, the Soviet Union is obliged to behave in nearly the same way whether it intends to invade Poland or simply to intimidate Solidarity into making concessions. The record of the past eight months shows that Kremlin's public reaction has often been completely at variance with its actual plans.

The outbreak of strikes in Poland last July was met with complete silence in the Soviet Press but this did not reflect lack of concern.

The December invasion scare was the more serious to date but, in that case too, the combination of Soviet Press statements and military movements was misleading. On December 5, a Warsaw Pact summit agreed that the Polish leadership could resolve the crisis in Poland without outside interference.

Chirac hits out at UK farm price 'hypocrisy'

By David White in Paris

M. Jacques Chirac, the main Gaullist contender for the French presidency, yesterday called on the Government to override British opposition on EEC farm price increases and said the UK would have to be asked to pull out completely if it continued to put up obstacles to agreement.

Accusing Britain of hypocrisy, M. Chirac said withdrawal would be the best solution if agreement remained impossible on this and other issues, including fisheries.

M. Chirac, who was Agriculture Minister under President Pompidou and Prime Minister at the start of M. Giscard d'Estaing's presidencey, urged the Government to display "the necessary authority" and press for the full 15 per cent increase demanded by farmers.

This rise (which compares with the Commission's 7.8 per cent target and the European Parliament's 12 per cent recommendation) would entail "no real sacrifices" from France's partners, he maintained. The adjustment had to be agreed on schedule by tomorrow.

It was better for France to risk a crisis in the Community than to force unacceptable conditions on its farmers, he said.

M. Chirac's claim to be one of three candidates standing a real chance of getting through to the second round play-off of the election on May 10 seems less far-fetched following recent gains in the opinion polls. One poll gives him 20.5 per cent of the first round ballot, just 5.5 percentage points behind M. Giscard and 2.5 points behind M. Francois Mitterrand, the Socialist candidate.

Political row brews over private TV for West Germany

BY ROGER BOYES IN BONN

A SERIOUS political row is brewing in West Germany, over the introduction of private television, a move that would break up the 25-year monopoly held by public corporation broadcasting.

The ruling Social Democratic party emphasised yesterday that it would fight "with its full strength" against newspaper publishers' plans to buy a stake in a Luxembourg company that intends to broadcast commercial television via satellite into West German homes.

The Christian Democratic-controlled state of Baden Wuerttemberg, however, made clear that it favoured introducing private cable television in the region as soon as possible.

The Social Democrats maintain that private television will make it extremely difficult to control the amount of advertising on television, that standards will drop dramatically, and that newspaper publishers will gain too large a foothold in the media market.

Yet, partly because of G[...] many's federal structure, [...] appears to be impossible to st[...] the eventual dismantling of t[...] public corporation monopoly. [...] buying a stake in the Luxe[...] bourg company, German pu[...] lishers will gain access to [...] satellite capable of beami[...] programmes not only [...] Germany but throughout m[...] of continental Europe. Germ[...] law, presumably, will not app[...] to the company.

The move is not only a s[...] back for Chancellor Schmidt [...] who is disturbed to find th[...] the Free Democrats, his coa[...] tion partners, are expressi[...] tacit support for the scheme [...] it also entails a comple[...] upheaval of the establish[...] German media.

West German newspape[...] have always been in priva[...] hands, while television has h[...] to conform to state-decre[...] standards. Now it is fear[...] newspaper publishers w[...] spread their influence into te[...] vision and upset a delicate[...] balanced framework.

EEC farm battle joined

BY LARRY KLINGER IN BRUSSELS

EUROPEAN COMMUNITY Agriculture ministers laid down their battle lines yesterday as the annual arduous effort began to establish guaranteed price levels for 9m farmers. Britain predictably led the call for a "prudent" policy, with France and Ireland in the forefront of those favouring larger increases.

The rises are sure to be among the largest in recent years in response to a drop of at least 9 per cent in farmers' incomes. The level of increases and the accompanying "saving[...] and "economies" will play [...] large part in whether t[...] European Commission is able [...] exercise its mandate [...] "reschedule" EEC spendi[...] away from agriculture.

Ireland yesterday called for [...] 12 per cent rise, supported [...] France, Italy, Luxembourg a[...] Belgium. Britain and We[...] Germany backed the Comm[...] sion proposal receiving so[...] sympathy from the Netherlan[...] and Denmark.

Malaysia plans for racial peace and stronger forces

BY ALAIN CASS AND WONG SULONG IN KUALA LUMPUR

MALAYSIA'S fourth five-year plan is a crucial link between a turbulent past and an uncertain future. Its key elements are a massive increase in defence spending and a sharp acceleration of the takeover of a big part of the economy by the indigenous Malays.

In that sense, it runs true to form. It stems from a deep and persistent sense of insecurity, an absolute determination by the Malays to climb to the top of the pile, and the kind of conservatism and sensible management which has led this resource-rich country exceptionally fast up the development ladder.

Elsewhere the plan, unveiled last Friday, is uncharacteristically self-confident, even optimistic. The proposals to finance a steady diversification away from the economy's traditional agricultural base, primarily into manufacturing industry, but also into heavy industry—petrochemicals, ship repair yards and steel mills—may be courting trouble in the current world economic conditions.

Malaysia, a former British colony of 14m, is one of South-East's Asia's racial melting pots. Even before independence in 1957, the *Bumiputras* (literally "sons of the soil") have been driven by a persistent urge to use their entrenched political power to wrest control of the economy's commanding heights from the country's 4.8m Chinese.

Malaysia has prospered on a volatile mixture of abundant natural resources largely managed by foreigners, an enterprising Chinese community, and an enormous rural labour force with low aspirations.

But the twin effects of the recession in the world markets for Malaysia's rubber, tin, palm oil and more recently oil and gas, and the prospect of prolonged instability in south-east Asia have injected new urgency.

Fear of a major conflict over Kampuchea, between China on the one hand and Vietnam and the Soviet Union on the other, has prompted plans to devote nearly 25 per cent of development spending over the next five years to defence and possibly much more.

Malaysia will build major bases and buy advanced jet fighters, more tanks and fast patrol boats, while the army's size will double to 160,000 men. It will be retrained to fight big set-piece battles as well as Communist insurgents in the jungle.

One possible role ministers foresee for the expanded army is to safeguard planned strategic economic installations, particularly in the petrochemical sector.

The discovery of oil has made a major difference to this country's earning and spending power. Its rapid development is now seen as a crucial safeguard against unreliable world demand for Malaysia's traditional commodity exports.

The idea is to build a home-grown petrochemical industry in a partnership between foreign technology and government funds. The oil and gas would then be used to attract ancillary industries with the lure of cheap energy and a reasonably free-wheeling economy.

Apart from the massive Bintulu liquid natural gas project in the East Malaysian state of Sarawak—designed to export 6m tonnes a year of liquefied natural gas to Japan over 20 years—major projects include two oil refineries, two sponge iron plants, an aluminium reduction plant, steel mills and several big cement works. The big question is whether sufficient private investment, envisaged at $35bn, will be found to build them.

"Who wants to build steel mills these days?" asked one merchant banker. "And if they are built, will they be viable?"

But the cornerstone of the plan, and the most complex part, is the continuing restructuring of the economy so that by 1990 *Bumiputras* will own 30 per cent of the corporate sector. The present ratio of 12.4 per cent to *Bumipatras*, 40 per cent to other Malaysians (mostly Chinese), and just over 47 per cent to foreign companies causes resentment among economically backward *Bumipatras*, who regard themselves as the true inheritors of Malaysia. Despite a remarkable degree of stability since the intercobmunal riots of 1969 the racial chemistry remains volatile.

The plan aims for relatively high growth—averaging 7.6 per cent a year—essential if the Government's *bumiputra* policy is not to bite painfully into the economic preserves of an apprehensive Chinese community. The sum of $2bn has been set aside to buy equity to be held in trust for the Malays by government agencies—double that of the previous plan.

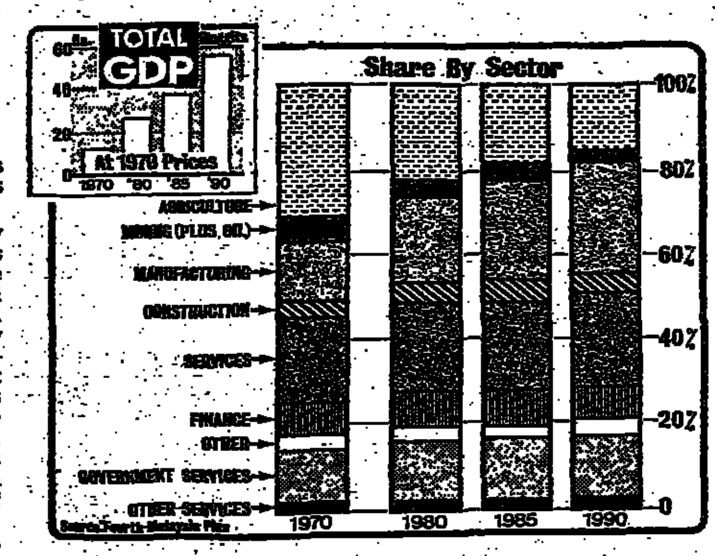
Over the past decade, a new Malay capitalist class has emerged. But little of the purchased wealth has filtered down to the ordinary Malay. Such ideas as the new unity trust scheme may help to redistribute wealth evenly. But the policy's critics believe this is likely to apply only to the professional middle classes, leaving the Moslem *bumiputra* Malay increasingly disaffected and vulnerable to the lure of fundamentalist Islam.

The Government is acutely aware of this danger and hopes to alleviate it through large regional agricultural schemes for landless farmers and a vigorous rural education programme.

But the Government may have no choice: Malay economic parity with the Chinese is essential, in the words of one senior minister, "to blunt the edges of racial conflict."

Given that many Malays have neither the cash to buy their way into the economy nor the acumen to start up on their own, government intervention is the only way. So far it has been managed with reasonable success and without excessive ill-feeling either among the Chinese community or among foreign investors.

The key question raised by the plan's strategy is whether overall economic growth will keep up with an increasingly strident Malay political will and sparalling aspirations among the population.



Egyptians hold 70 on political charges

More than 70 Egyptians accused of forming a clandestine Communist organisation have been arrested, Interior Ministry officials said in Cairo yesterday, Reuter reports. More arrests were possible as police investigations continued, officials said.

The Interior Ministry confirmed that about half of those arrested so far were members of the Unionist Progressive Party (UPP). The party said in a statement yesterday that 37 of its members and supporters were among those arrested.

The UPP, formed by Khaled Mohieddin, a former army officer, is one of Egypt's three legal opposition parties. Communist parties are banned in Egypt.

Envoy in Israel

U.S. special envoy, Mr. Michael Stermer, arrived in Jerusalem yesterday. He flew in for two days of talks in Cairo on the force that will supervise peace treaty provisions after Israel pulls out of Sinai in April next year, Reuter reports from Jerusalem.

Canberra spy quiz

Australia's Opposition leader, Mr. Bill Hayden, is to raise in Parliament newly published allegations about high-level Soviet espionage penetration in the Australian Government, Reuter reports from Canberra.

Tokyo scandal

A Tokyo court yesterday sentenced a former senior official of Japan's International Telegram and Telephone company (KDD) and two former government officials to suspended jail terms in connection with an embezzlement and bribe-taking scandal involving $80,000, Reuter reports from Tokyo.

Sihanouk firm

Prince Norodom Sihanouk of Cambodia says Thailand has granted him passage to his homeland but he refuses to return until he forges a united front to expell the Vietnamese from Cambodia, AP reports from Peking.

Ugandan victims

Fourteen bullet-riddled bodies, including those of two schoolgirls, have been found in the same forest outside Kampala where former Ugandan dictator Idi Amin used to dump his victims, Kampala hospital officials said yesterday, AP reports from Kampala.

New steel developed

A South African company, Southern Cross Steel, said yesterday it had developed a new corrosion-resistant steel, Reuter reports from Johannesburg.

Nigeria, Cuba sign

Cuba and Nigeria have signed a bilateral agreement, strengthening cultural, economic and scientific ties, AP reports from Lagos.

Iranians claim 800 Iraqis die in battle for key heights

BY TERRY POVEY IN TEHRAN

THE BODIES of 800 dead Iraqi soldiers were found in mountain areas of Western Iran following fierce battles for the control of strategic heights in the area, Iran's revolutionary guards claimed yesterday.

With the war between Iran and Iraq now into its seventh month, fighting in the area between the city of Kermanshah and the Iraqi border appeared to be intensifying, according to official Iranian reports.

The fighting in the mountainous mid-western areas of Iran has been reportedly heavy for some time, as both sides battled for control of heights overlooking two key border towns of Quasre-Shirin and Gilane-Gharb.

Both of these towns had been in the hands of Iraqi forces since the very early stages of the war. However, an official of the Iranian revolutionary guards claimed yesterday that Iran had succeeded in capturing much of the heights involved and that in the course of operations to take those overlooking Gilane-Gharb "over 800 bodies of Saddan Hussein's forces were found left behind and the enemy had done nothing to bury or take them away."

While the war in the flat desert-like south western Khuzestan province has lent itself readily to an artillery-dominated slogging match between the two armies, the mountainous regions along the western border are far more suited to the guerrilla tactics of Iran's revolutionary guards.

Despite continuing improvement in the battle-readiness of the regular Iranian forces reports and visits to the front by foreign correspondents all confirm that the bulk of the attacking is carried out by the guards who make up in fervour for what they lack in training and heavy weaponry.

● Twenty-three people, six of them women, were executed in Iran yesterday following t... by revolutionary courts. ... were sentenced to death ... drug offences but five of the executed women were also convicted of "spreading prostitution."

War risk insurance, Page 28

Nott tries to reassure Gulf on rapid force idea

BY KATHLEEN BISHTAWI IN DUBAI

BRITAIN IS not interested in intervening in the Gulf unless specifically requested, UK Defence Secretary John Nott said in Abu Dhabi yesterday.

"The whole concept of the Rapid Deployment Force has been vastly misrepresented by the Press and goes against British interests," Mr. Nott said. "Why should I send British troops to the Gulf? It is the last thing I would want to do unless the state in the region asked us. The idea that Britain wants to intervene here exists only in the mind of Brezhnev."

Mr. Nott is currently visiting the United Arab Emirates after meetings with officials in Saudi Arabia, Oman and Qatar. His last stop of this five-nation tour will be Bahrain.

The security of the Gulf region, said Mr. Nott, was best looked after by the people of the Gulf. "However, the Soviet threat is not going to go away and unless the Gulf countries show they do not want to see Soviet expansionism, then it will happen. To think otherwise is to live in cloud cuckoo land," he said.

At the moment, the British naval presence in the Gulf region consisted of only two frigates, Mr. Nott said. "But if any Gulf state wanted to buy more and sophisticated military equipment from Britain then we are perfectly willing to sell it and it would be perfectly normal also for British advisers to go with it to help in the training in the use of the equipment."

Officials travelling with Mr. Nott's party said that in the Minister's talks with Sultan Qaboos of Oman, the possibility of providing Oman with more tanks had been discussed though no contract had b... signed. The Omanis a... reported to be seeking to lease a small number of Chieftain tanks for training and may later buy, it is understood, up to 30.

JAPANESE INDUSTRY

Technocrats take the chair

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

A NEW generation of managers in their mid-50s, mostly with engineering or other technical backgrounds, is taking over the leadership of Japan's formidably competitive heavy electrical industry.

An example is Mr. Katsushige Mita, a 56-year-old graduate of Tokyo University's faculty of electronic engineering, who was appointed on Thursday as president of Hitachi.

News of Mr. Mita's appointment coincided with the announcement that Fujitsu had chosen 55-year-old Mr. Takuma Yamamoto as its new president. Mr. Yamamoto graduated from the same section of Tokyo university as Mr. Mita. Both men replace presidents who are more than 10 years their senior and who were already in their sixties when they reached the top.

The new presidents of Fujitsu and Hitachi will take office at the end of June after their appointments have been approved at shareholders' meetings. As young (or relatively young technologically-oriented managers they will be joining Mr. Tadahiro Sekimoto, the 54-year-old physicist who took over the presidency of Nippon Electric last summer. NEC, Hitachi and Fujitsu are the three leading Japanese computer manufacturers besides being leaders in the integrated circuits industry.

A fourth major heavy electrical company, Toshiba, also appointed a new president last year, but chose an older man. He is Mr. Shoichi Saba (62), an electrical engineer who replaced a law graduate as Toshiba's top man, thereby at least confirming the trend towards technical expertise amongst Japanese senior management.

Fifty-five-year old presidents are a novelty in a country where business careers frequently continue into the 70s or even 80s for those who make it to the top. However, one major company in the advanced electronics sector set the trend towards youth several years before the rest of the industry.

The president of IBM Japan, Mr. Takeo Shiina, is 51 and was appointed at the almost incredible age of 45.

Mr. Shiina differs in one other important respect from ... managers of the domes... controlled computer mak... who are IBM's main competitors. He graduated from a fashionable private university (Keio)—not from the state-owned Tokyo University which educated most of Japan's business (and bureaucratic) elite.

The jump of a decade or so in the ages of some of Japan's top managers is put down to two factors by the companies concerned. One is that younger men are needed to keep up with the extremely rapid shifts in technology which are now taking place. ... that men aged ... abouts are ... because of ... the Pacific ...

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Mexico to buy F-5 fighters from Washington

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO is to buy a dozen F-5 supersonic jet fighters from the U.S. at a cost of over $100m (£44.5m) as part of a drive to modernise its poorly equipped armed forces.

The sale has been approved by Washington, according to U.S. officials, and the F-5s could arrive in Mexico by the end of the year or early 1982.

President Lopez Portillo's Government has made no official announcement about the *purchase other than to say that* it is interested in buying F-5s. Earlier in the year General Felix Galvan, *Mexico's Defence* Minister, went to Israel to discuss the possible purchase of Kfirs, an *Israeli-developed* fighter-bomber, but it is understood that the price was too high and that there were difficulties over spare parts.

Sr. Lopez Portillo: A sense of vulnerability

Mexico was also worried by the possibility that the purchase of Kfirs would harm its relations with Arab countries.

For years, Mexico has spent very little on defence. But exploitation of the country's oil wealth and Mexico's proximity to troubled central America are making the Government feel vulnerable. Mexico has the *world's fifth largest proven* hydrocarbon reserves.

The 1981 defence budget of *$1.4bn is 62 per cent higher* than in 1980, but it still only *represents 1.3 per cent of total* Government expenditure. Reuter

With a population of some *70m Mexico has no more than* 100,000 regular troops. Some 80,000 of these are in the army which is augmented by 250,000 part-time conscripts. The army has not taken an active part in *national politics for many* decades.

Boston faces a financial disaster

BY OUR NEW YORK CORRESPONDENT

SHOCK WAVES from sweeping *tax cuts voted by the people* of Massachusetts last November are fast driving the city of Boston to the brink of financial disaster. The city's credit rating has been suspend d by one of the New York rating agencies and cut by the other. Its schools may close this week for lack of money.

Trouble was brought on by proposition 2½ approved in a referendum in November. If *fully implemented, this would* cut Boston's tax revenues by 70 per cent over the next two years. The measure dot not take effect until July, but the city budget is already being slashed in anticipation.

The proposition limits property tax to 2½ per cent of market value compared to the *approximately 10 per cent currently being levied by Boston.* It *was passed on a wave of mounting* resentment at the level of taxation in Masesachusetts, *which is one of the highest in* the U.S. and has earned the state the nickname "Taxachusetts."

The city authorities under Mayor Kevin White are playing something of a waiting game. They expect public reaction to the cutback in municipal services to produce demands for *an easing of proposition 2½, or* for enactment of new types of taxation.

Proposition 2½'s impact is not limited to Boston. No fewer than 37 communities will be directly affected by it and have had their credit ratings suspended by Moody's effectively debarring them from *borrowing*

Owen warns U.S. on arms control

Dr. David Owen

By Jurek Martin, U.S. Editor, in Washington

DR. DAVID OWEN, one of the leaders of the new *British Social Democratic Party*, said yesterday that the Reagan Administration could have a real *problem* with the anti-nuclear movement in Europe if it completely neglected arms control *negotiations* with the Soviet Union.

He told a meeting arranged there by Foreign *Policy magazine that* Mr. Richard Allen, President Reagan's National Security Adviser, was wrong *to* invoke the word *"pacifism"* in a *recent speech* to describe European attitudes.

If Mr. Allen had *spoken of* what Dr. *Owen* described as "the *growing* horror" in Europe about nuclear war, than he would have been *closer* to the mark. *European* anti-war forces were not being led by Marxists but were drawing support from a broad cross-section of the public.

Dr. Owen conceded that the current Polish crisis made it hard for the U.S. *to entertain* arms control negotiations. But he said it would be "a cop out" if the principal western sanction against Moscow, *in the* event of a crackdown in Poland, was simply to rule out any dialogue on arms, which is what several senior Administration officials have *suggested*.

Dr. Owen drew the distinction between naked Soviet repression of Poland and any crackdown organised, *with* tacit Soviet support, by the Polish authorities. In the first case, he said, the West would have to impose severe *economic sanctions*, breaking existing commercial agreements with the goal of hurting the Soviet economy, even *at the cost* of *pain to domestic economies.*

In the latter case, the western response might be more difficult to frame and would depend on the course of events in *Poland. It would not* help if the end result was to make Poland totally dependent on the Soviet Union.

Dr. Owen's observations about European sentiments towards nuclear conflict echoed those *expressed* here recently by another Social Democrat, Herr Horst Ehmke, a West German *parliamentarian*, who argued that, unless the U.S. was careful, the anti-nuclear movement *in his country could* become sharply anti-American.

A further airing is likely this week with the visit to Washing*ton of the Dutch Prime Min*ister, Mr. Andreas van Agt, and his Foreign Minister, Mr. Christophe van der *Klaauw*.

Dr. Owen is in Washington to attend one of the regular sessions of the Trilateral Commission, the international grouping *of* industrialists, financiers and politicians which is such a bogey to the American Rightwing.

Strangely enough, with President Reagan in power, his Administration is being positively courteous towards the Commission. The *President is receiving* its leaders, including Mr. David Rockefeller, outgoing head of Chase Manhattan Bank, in the Oval Office. *Several senior members of the* Administration, including Vice-President Bush, Mr. Caspar Weinberger, the Defence Secretary (*both former members of the* commission) and Mr. Alexander Haig, the Secretary of State, are all addressing the convention.

Dr. Owen *has no* bilateral *schedule of meetings* with Administration officials but is meeting several in the course of the deliberations. *He said* he *chose to* come because he thought it would be a good idea to explain the nature of the Social Democratic Party to *American* audiences.

The first of three planned insurance exchanges in the U.S. is one year old today, writes **David Lascelles**

New York takes a small bite from the Lloyd's apple

"IT TOOK Lloyd's two centuries to get where it is today. We *hope to do it a little faster,*" joked a leading U.S. insurance executive when the New York insurance exchange opened its doors exactly a year ago today.

That hope *still flickers on*, although it is a long way from being fulfilled. The exchange did better in its first year than expected. It *wrote over* $55m of insurance, against the $40m it had set itself. But a good *portion of* that was force-fed by the U.S. insurance industry which is happy to finance it as an *experiment for a few* years. And the way ahead is distinctly rocky. Insurance is *going through its worst* recession since the early 1970s, with no let-up in sight, and the infant New York exchange *could soon* face competition from similar —and some people say better-conceived—projects in *Chicago* and Miami.

The idea of a U.S. answer to Lloyd's was inspired in the late *1970s by the sight of billions of* dollars in premiums being exported to Lloyd's when it was *felt the U.S. could perfectly* well handle the business itself. The fact that Lloyd's put up some barriers to foreign participation also rankled, although Lloyd's has since eased its rules.

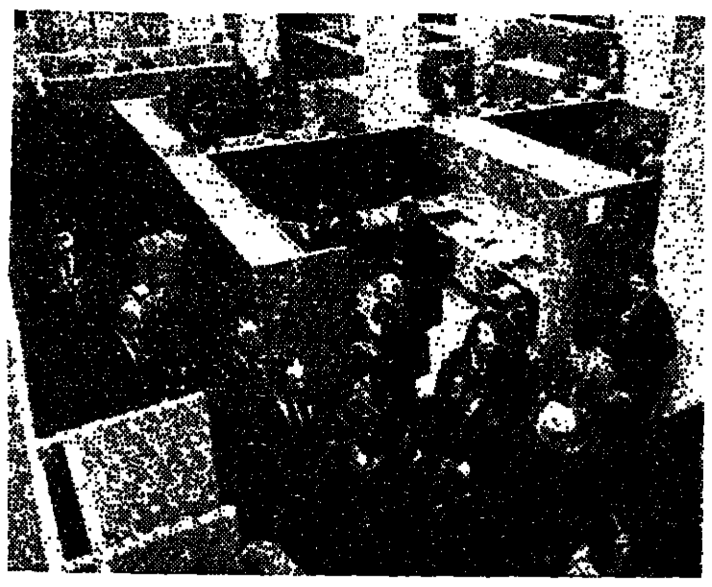
But many of the project's backers were less interested in cutting out Lloyd's *than* in escaping some of the more burdensome taxes and *regulations the U.S. lays on* the insurance business. They managed to persuade the New York *state legislature to pass* generous laws establishing an "insurance free trade zone" in the city, to which the exchange *would be linked* — *largely* by promising this would create hundreds of new jobs and bring *fugitive business back to the* city, which it has yet to do.

Compliment

Whatever their feelings about Lloyd's, the insurers paid it the compliment of using it as their *model despite* the new avenues opened up by electronics.

"It's like the London taxi. Perfectly designed for the job, but nobody seemed to be copying it. We saw no reason to change the Lloyd's model very much," said *Mr. Donald* Kramer, an insurance consultant who helped put the exchange together.

The exchange consists of a *trading floor in a building just* north of Wall Street where brokers can circulate among *underwriters' booths seeking* the best price for their risks. Unlike Lloyd's, underwriters *are not liable down to their last* shirt buttons, only to the amount of capital they put up. *At the moment, there are* 21 syndicates with another two on the way, and more than 50 *brokers, including some from* Lloyd's, which is taken as a flattering sign of interest. *Lloyd's has about 430* syndicates.



The trading floor: dispiritingly quiet to start with, but business is gathering pace

To start with, the trading floor was dispiritingly quiet, *and most booths were shut,* although activity is increasing a little now that business is *gathering* pace.

"*There's none of* the bustle of Lloyd's," admits Mr. Donald Reutershan, the exchange's *president.* "And that makes visitors from London think it's not working. But I'd say we're doing about as much business as we can handle."

No one disputes the exchange has opened at a bad time. The slump in the insurance market *has* bred cut-throat competition, and profits are slim. Insurers are reluctant to predict when the upturn will come, but at least the exchange is there to take advantage of it when it *does, they say.*

Sponsors are *also worried* by what they describe as the unnecessary handicaps hobbling the exchange. All New York's voluminous rules and regulations on insurance apply to it, unless specifically waived, which *tilts the balance against a free* market. There are also strict limits on the types of insurance the exchange can write, although relief may be on the way.

Suffocated

The possibility that New York will be suffocated by overregulation ranks high among the reasons why Chicago and Miami are working on their own insurance exchange plans, although neither has yet opened for business.

These two cities tilted the regulatory balance the other way: no insurance rules apply unless specificaly *provided for.* In Chicago, a city which thrives on exchanges, about 10 underwriting syndicates have *shown* interest, but there is no opening date.

Miami sees its exchange as part of its broad ambition to become a big U.S. financial centre drawing on its close connections with Latin America and the north. Grandiosely named The Insurance Exchange of the Americas, it recentl[y] acquired the services of M[r.] *Alan Teale, a prominent figur[e]* in the Lloyd's broking pr[o]fession, to run it.

Although some in th[e] *insurance industry* think M[r.] Teale will have a tough job pe[r]suading others to do business i[n] Miami, he says he has receive[d] plenty of inquiries, and hope[s] to open the exchange by the en[d] of next year. Use of the newes[t] electronic technology will giv[e] *the exchange an edge, he claim[s].*

But even if all these ex[-]changes get off the groun[d] they would have to immensel[y] successful to pose a seriou[s] *threat to the supremacy* [o]f Lloyd's on the world insuranc[e] market. The New York ex[-]change *would have to grow* b[y] a factor of 50 in the year[s] ahead to approach even re[-]motely the volume *of* busines[s] Lloyd's does today.

In the end, though, th[e] exchanges' fate will depend o[n] *how seriously the U.S. insu[r]*ance industry wants to challeng[e] Lloyd's. Big U.S. insuranc[e] *brokers show no sign of looser*ing their ties with Londo[n]. Rather the opposite. The big[-]gest have all acquired equit[y] stakes in leading Londo[n] brokers in the past couple [of] years, or have bought ther[m] outright. And the bonds ar[e] strengthening.

TV suit dismissed by U.S. court

PHILADELPHIA — A U.S. Federal Judge has dismissed a $1.5bn (£660m) conspiracy and antitrust suit filed by two U.S. television manufacturers against their major Japanese competitors.

District Judge Edward Becker said there was no evidence to justify the U.S. companies' charges that they were driven out of the business by actions of the Japanese companies.

The suit had been filed in 1970 by Zenith Radio and National Union Electric, which at that time was known as Emerson Radio.

The U.S. companies contended they were victims of a price-fixing conspiracy in which Japanese companies sold television sets, tape recorders, radios and other electronic products on the U.S. market at prices below what they sold for in Japan.

Mr. Edward Rome, an attorney for the U.S. companies, said he would appeal the decision immediately.

The defendants included Matsushita Electric Industrial, Toshiba Hitachi, Sharp, Sanyo Electric, Sony, Mitsubishi Electric—the Japanese trading company of Mitsubishi—and two U.S. companies which sell TV sets made in Japan—Motorola and Sears, Roebuck.

In reaching his conclusion to dismiss the law suit, Mr. Becker said: "We understand Zenith's concern about the inroads by the defendants and other Japanese consumer electronic products manufacturers in the U.S. market and its striving to maximise its profits and preserve its workers' jobs.

"But its proper remedy in this regard isn't in the antitrust court, but in the Congress, in the U.S. International Trade Commission and in the office of the president's trade negotiator."

● Five Japanese companies plan to send a mission to Peking on Thursday for private negotiations to help China resume suspended plant contracts, including petrochemical complexes, officials at the Japan International Trade and Industry Ministry (MITI) said. The five include Toyo Engineering, Nippon Steel, and Mitsubishi Heavy Industries.

Agencies

Japanese pipes for Russian gas plan

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

FOUR JAPANESE steel companies, led by Nippon Steel, have agreed in principle to supply 3.5m tons of large diameter steel pipes over the next four years for the Soviet Union's West Siberian gas project.

The agreement — relating only to quantity, not to price — was reached at the end of last week in talks with two senior Soviet officials. It provides for 500,000 tons of pipes to be shipped between July and December and for 1m tons of pipes to be supplied during each of the next three years. The companies involved, apart from Nippon Steel, are Nippon Kokan, Kawasaki Steel and Sumitomo Metal Industries.

If the Japanese companies deliver the proposed amounts, Japan's large diameter steel pipe exports to Russia over the next four years will run at roughly double the levels of the recent past.

Price negotiations, however, are likely to be extremely tough. A still more serious hurdle is that of credit since the Soviet Union will undoubtedly demand large-scale financing at very low interest rates from Japan's Export Import Bank before agreeing to place a contract in Japan.

The Soviet officials who discussed the quantities of steel to be shipped with Japanese steel industry representatives also gave a "preliminary account" of the gas project to the Export Import Bank last week. Ex-Im officials described answers to their questions about the project as being "not necessarily satisfactory." There was no discussion about the details of a credit package.

Japan says it regards Western Europe as being the pace-setter in all decisions regarding the Soviet gas project. The Ex-im bank is unlikely to take up any position on Japan's role in the financing of the project until European intentions become clearer.

AP-DJ reports from Buenos Aires: A consortium headed by Nippon Steel signed an agreement to invest $50m (£22m) in a plant expansion by Somisa, an Argentine steel company partly owned by the state.

Another group of companies, headed by Mitsubishi, won a contract to electrify the General Roca railroad line in greater Buenos Aires, and a third, led by Pecom-NEC, was given the job of installing 360,000 telephone lines in Argentina for $80m.

British Steel wins $24m Seoul contract

BY ANN CHARTERS IN SEOUL

BRITISH STEEL in stiff competition with Japanese steelmakers won a contract worth about $24m (£10.6m) to provide 54,600 tons of structural steel for the Pusan Subway.

Bidding through its local agent, Nan-Gi Trading, the company offered a package competitive prices in spite of a $50 freight charge per ton and three financing arrangements, including one for Dong Yang Pipe, a Korean company, that jointly tendered a bid for $10.6m to supply 13,000 tons of deck plate.

Nan-Gi Trading cites British Steel's long-standing willingness to tender bids in South Korea, making local markets more competitive, as one of the reasons the company was awarded the contract.

Korea's large trade imbalance with Japan, which last year stood at $2.8bn, also dimmed the prospects for Marubeni and Mitsubishi in the bidding.

The steel for the contract will come from Scunthorpe and Teesside works.

Meanwhile, the British Embassy in Seoul opened its grounds as a market place for UK companies interested in selling to Korean firms. Mr. John Morgan, the ambassador, and officials from the Ministry of Construction attended a demonstration at the embassy of multi-purpose, re-usable scaffolding and formwork products from Kwikform of Birmingham.

Kwikform has contracts with six Korean construction companies for projects in the Middle East, but decided to demonstrate the time- and labour-saving aspects of their products in Seoul, where purchasing decisions are made.

Korean construction companies won overseas contracts worth $8.2bn last year. Because Kwikform's re-usable steel products become less economical if shipped long distances, the company is also looking for a licensee in the Far East to manufacture the products.

Mitsubishi in joint venture with SABIC

TOKYO — Mitsubishi Industrial said it and Saudi Arabia have agreed to establish a Japanese investment company here in May to carry out a Y 330bn (£711m) petrochemical project at Al Jubayl.

A Mitsubishi official said this follows completion of a joint feasibility study by Saudi Petrochemical development of Japan and the state-run Saudi Basic Industries Corporation (SABIC).

The project calls for the two partners to build a petrochemical complex to produce about 230,000 tonnes of ethylene glycol and other petrochemical products annually from late 1985.

Mitsubishi said a joint venture company is also expected to be organised by the two parties in Saudi Arabia by the end of June.

Reuter

Newsprint prices set for another increase

BY WILLIAM HALL

WORLD NEWSPRINT prices seem set to rise again despite the downturn in the world economy and the substantial additional newsprint capacity coming on stream.

Abitibi Price, the Canadian group which is the world's largest producer, has told its U.S. customers they face their second increase in under a year with a $30 (£13.50) a tonne rise from September 1, bringing the price to $500 a tonne.

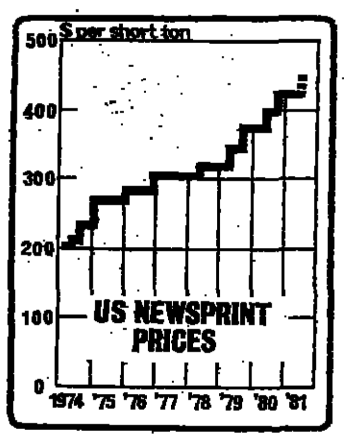
Other North American newsprint producers seem certain to follow, with European newsprint prices also going up later in the year. One producer, Consolidated Bathhurst, has already said it will bring its prices to $500 a tonne on July 1, although it may now delay this until September.

At the same time, Abitibi Price has warned customers that, as a result of high inflation, it expects to announce another price increase, for March 1982, later this year.

The Abitibi Price move has come as a surprise given the capacity increases and the economic downturn. There have been fears that excess capacity is being created.

However, world newsprint consumption is proving firmer than expected. The U.S., which accounts for two-fifths of world newsprint demand used 10m tonnes last year—only fractionally less than the 1979 record. Consumption is expected to remain at this level in 1981 as customers rebuild their stocks.

The bulk of U.S. newsprint is still imported from Canada.



But U.S. newsprint mills, several of which are being built close to the cheap and fast-growing forests of the south, expanded their production by 15 per cent to 4.2m tonnes last year.

Sweden, the world's third biggest newsprint producer, increased its production by 3.4 per cent to 1.5m tonnes last year—the highest level ever—and Scandinavian newsprint exports rose by 3.6 per cent to a record 2.9m tonnes.

Australia signs atomic safeguards agreement

By Patricia Newby in Canberra

AUSTRALIA and the European Atomic Energy Community (Euratom) initialled at the weekend a draft nuclear safeguards agreement to enable sales of Australian uranium to EEC members.

The agreement, when ratified by Australia and the governments of the 10 Euratom members, is expected to lead to substantial sales of Australian uranium to EEC countries with West Germany, Belgium and France likely to be the first buyers.

The nuclear safeguards talks between Australia and Euratom have dragged on for two years, although Australia has signed bilateral agreements with some EEC members, including Britain and France.

The so-called "safeguards agreement" limits use of Australian nuclear material to peaceful purposes only.

A stumbling block was removed last November when Australia changed its policy to allow reprocessing of its nuclear material by overseas customers, provided the plutonium obtained was not used for weapons.

The draft agreement was the result of talks in Canberra last week between a six-man Euratom delegation and 10 Australian officials.

Details of the agreement were not made public but the document will be tabled in the Australian Parliament.

French plant for Morocco

By Terry Dodsworth in Paris

TECHNIP, the French contract engineering company, has won a $150m contract from Morocco for the design and construction of a refinery complex at Mohammedia.

The project, agreed with the Societe Marocaine de l'Industrie du Raffinage, is to be handled jointly by Technip and its Italian associate, Technipetrol. It will be financed by French and Italian export credits.

The annual capacity of the refinery, due to open in 1984, is for 100,000 tonnes of industrial oils, 20,000 tonnes of paraffins, and 100,000 tonnes of asphalts. It will use processes furnished by BP, CFP of France and Texaco.

GATT chief hits out at 'sectoral' view of trade problems

BY PAUL CHEESERIGHT

MR. ARTHUR DUNKEL, recently installed as director-general of the General Agreement on Tariffs and Trade (GATT), has intervened in the highly charged debate between the U.S., the EEC and Japan about import curbs, with a sharp attack on protectionism.

In remarks bearing directly on disputes about cars, petrochemicals, steel and textiles he warned against tackling trade problems sector by sector.

"It leads fatally to an undirected drift in trade policy from one problem to another, without regard to the interrelations between them. Short-term solutions for particular difficulties, ignoring long-term consequences, misallocate resources, and their disruptive effects tend to spill over from the field of trade into the areas of finance and the balance of payments," he said.

Mr. Dunkel was speaking to the Trade Policy Research Centre in London last night. His general point was that government actions on trade cannot be isolated, world economies are linked together and, for the trading system to work, there has to be adherence to basic rules—the GATT system.

Thus, "no country is so strong that it can afford to abandon the multilateral approach; no valid trade or monetary policy can be formulated in response to bilateral flows."

This is a familiar argument from bodies like GATT. It assumes special significance because of the protectionist pressures which have built up in the U.S. and the EEC on steel and cars, and in the EEC on petrochemicals and textiles, followed by the restrictions on free flow of trade which are falling into place.

However, said Mr. Dunkel, "overly protectionist actions have been fairly few," the temptation to enact more has been inhibited by "a kind of balance of terror," but this is not satisfactory, he argued. It does not provide an adequate basis for framing policies and it encourages resort to short-term bilateral and sectoral measures.

Details of UK sewerage project in Egypt settled

BY OUR WORLD TRADE STAFF

FINAL DETAILS of an agreement between the UK and the Egyptian Governments on financial backing for a major sewerage project in Cairo have been worked out by officials, but formal signing of a memorandum of understanding has been delayed.

The agreement will ensure that a minimum of £150m of business will flow to British industry, most likely to British Wastewater, a consortium formed for the project by Ames Criosta Babcock, Balfour Beatty, Edmund Nuttall and GEC Electrical Projects.

Mr. Hassaballah el Kafrawi, the Egyptian Minister of Reconstruction, and Mr. John Biffen, the Trade Secretary, should have signed the agreement yesterday following the return to London of British officials who last week settled the final details in Cairo.

Mr. Kafrawi was not able to leave Egypt, and the signing is now likely in two or three weeks' time, possibly in Cairo.

The agreement will specify that work on the east bank of the Nile for the Greater Cairo Wastewater Project will go to British companies, although British Wastewater is not mentioned by name.

Most of the agreement deals with finance, specifically £100m of export credits arranged in principle last year with Midland Bank International and Samuel Montagu, and backed by the Export Credits Guarantee Department, and £50m of UK aid committed by the Government in 1978.

British Wastewater signed a protocol with the Egyptian authorities last December. The hope is that the initial contracts will be followed by others, as the work on the Cairo project is expected to continue into the next century.

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Case for graduate privilege

BY W. P. KIRKMAN

WHAT JOBS this year's graduates will get has suddenly become a less topical question among university staff than whether they will keep their own. Talk of redundancy, on a large scale, is commonplace in view of the drastic cuts expected in the universities' income from public funds.

The reductions are necessitating the kind of reappraisal which is in effect a response to crisis rather than a careful approach to planning for the future. The question therefore tends to be: how to survive? Behind that, however, and behind the whole situation faced by the United Kingdom universities, lies another question which is equally fundamental.

It is: how should universities and other institutions of higher education respond to national needs? This question is of particular importance if one accepts that the "human products" of higher education—the graduates who emerge from it every year—are a major national resource.

For a university careers adviser like myself to suggest that they are, is to risk being accused of special pleading. The general unemployment figures are increasingly gloomy and, since graduates as a whole have an advantage over people without degrees in the jobs market, I am liable to be seen as indulging the privileged. Nevertheless, I am going to take the risk, and start by looking at some recent history.

In the early 1970s, one result of the economic problems then besetting the UK was a dramatic cutback in the recruitment of graduates by industry. When the industrial demand for them began to increase again a year or so later, the response to that demand lagged behind as it always tends to do in such circumstances. It is worth recalling those events, even though the present recession has so far not produced a cut in demand for graduates as severe as was experienced a decade ago.

This is not to say that the demand has continued at its previous high level. The reduction, indeed, shows signs of being substantial. Nevertheless, most employers have been trying to continue to recruit graduates, and to retain a reputation as credible, regular recruiters who see the recruitment of graduates as a long-term policy. From this fact comes the advantage which graduates enjoy, even at a time when the difficulties facing them are serious and growing.

The reasons for this apparent paradox seem clear. Processes of production and of organisation are becoming increasingly sophisticated, notably with the development of microprocessor technology. The speed of change is increasing rapidly. Therefore, at a time when many activities are becoming less labour-intensive, there is a need for them to be managed by people capable of dealing with the sophisticated processes. People capable of planning, and adapting to, rapid change.

Discriminating

Although the demand for graduates has been relatively high, it has been a much more discriminating demand than that in the 1960s when graduates had only just been "discovered" by a large number of employers. The demand now is usually much more clearly defined. While the definition is sometimes by reference to particular subjects (for example electrical engineering), it is more frequently by reference to specific skills and aptitudes.

This is so in computer work, for example, but it is true also of many fields of activity where the need is very often for confidence and competences—in dealing with figures (numeracy); the ability to communicate effectively, orally and in writing; and the ability to work effectively in groups—rather than for particular subject skills. In addition, because of the rapidity of change already mentioned, there is a desire for ability to adapt to changing circumstances and, in that sense, to show what could be called qualities of "generalism." This stands high on most employers' list of desirable attributes.

If we accept that a solution to the country's major economic problems depends on the more effective production and selling of manufactured goods (and on that, at least, most people would surely agree) then one point is clear. We should make the most effective possible use of all our natural resources, including people who possess well trained minds.

One of the depressing features of the scene is that over many years it has not been customary for members of the general public, or indeed for national leaders in the political and other spheres, to recognise that one of our major natural resources is highly educated manpower. There has usually been far more emphasis on the social desirability of higher education than on its role as a major contributor to national effort. Although this is in some ways a good thing, and certainly preferable to a view of higher education which sees it purely as a means of producing "working population units," it does often lead to a negative attitude to the subject. It leads, for example, to a marked tendency to consider the cost of higher education rather than its value or potential value.

It seems to me that recognition of the crucial importance of higher education and its products is even more necessary at a time of economic difficulty than at a time when the country is flourishing and thriving.

I have no wish to appear complacent. All of us in the field of graduate careers advice or graduate employment ought to keep constantly in mind that there is no God-given reason why graduates should be privileged, or better treated than anyone else. Nor is there any reason why a relatively favourable graduate employment market should be seen as outweighing the serious effects of widespread general unemployment. The argument for a continuing concentration on the recruitment and use of graduates — for the continuance, in other words, of graduates' advantage in the jobs market — is quite simply that it represents the best and most effective use of a major and valuable resource.

That argument certainly carries with it an implication of major responsibility on the part of higher educational institutions. This responsibility includes the need to be acutely sensitive to national requirements. I intend this not in the sense of changing and devising courses to meet every whim or fashion of employing concerns, but in the sense of ensuring that the educated have been pressed to develop the essential and widely required skills which were mentioned earlier.

It is not a sufficient excuse for universities to say that this is the responsibility of schools, or that it has nothing to do with academic rigour.

Responsibility

There is also a heavy responsibility on individual graduates themselves. It is to ensure that the country's wealth-producing potential is fully exploited and properly used so that the effects of rapid technological change can be beneficial rather than the reverse.

Moreover, a third responsibility falls both on the institutions of higher education and on their human products. It is a responsibility for devising implementing ways in which our highly developed industrial society should itself adapt to new conditions. This responsibility is wide ranging. It involves, among other things, for example, re-thinking the whole purpose of education, traditionally education for the work ethic, which may well be quite inappropriate for an era when large numbers of people will have to reckon to spend far less of their lives at work than did earlier generations.

The argument that graduate recruitment should continue is not intended, therefore, as an argument for keeping graduate employment statistics favourable, nor for coping with employment problems in the universities. The case for it is far more fundamental and far more serious, as a constructive approach to national problems which, dramatic though they undoubtedly are now and will be in the immediate future, are of even greater significance when seen in a longer-term perspective.

Bill Kirkman runs the University Careers Service at Cambridge.

APPOINTMENTS

Crown House group executive changes

Mr. R. N. McAuslan and Mr. B. R. Fletcher are to join the Board of CROWN HOUSE. Mr. McAuslan is chairman of Crown House Engineering and Mr. Fletcher is managing director of Best and May. Mr. McAuslan will also join the Board of Crown House Engineering International as chairman and Mr. G. R. Parker will become a director of that company. Mr. Parker is managing director of Crown House Engineering. Mr. C. R. Judd and Mr. B. M. Best are to be directors of Best and May.

Mr. W. Best resigns as a director of Crown House and Best and May but continues as a consultant to the latter company.

The changes come into effect from tomorrow.

★

Mr. M. Tucker, Mr. R. Cole, Mr. P. Leith-Smith, Mr. P. Margetson, Mr. J. Slade and Mr. M. Bedford-Russell are joining ROPNER INSURANCE SERVICES from April 12. Mr. Tucker and Mr. Leith-Smith will become directors and Mr. Slade will be an assistant director.

★

Sir Kenneth Berrill has been appointed chairman of VICKERS DA COSTA, stockbrokers.

★

Mr. Ian Trafford, at present managing director of the Economist, will join TIMES NEWSPAPERS early in April as publisher of the three Times Supplements. At the same time he will become deputy chairman of Times Books. Mr. George Barber, managing director of Bay Books, becomes chairman of Times Books, which will include the UK activities of Bay Books and City Magazines.

The three supplements are: the Times Literary Supplement, the Times Educational Supplement and the Times Higher Educational Supplement.

★

Mr. F. Dunston retires as property manager of STERLING ESTATES on March 31 but will remain a director. Mr. A. C. Loggin, director and company secretary, retires from the company on that date. Mr. W. Scanlan has ben appointed a director, Mr. J. V. Strong becomes property manager and director, Mr. P. S. Ellacott will be company secretary and Mr. S. R. retary. The parent concern is Royal Insurance.

★

Mr R. Harrison, Mr. J. M. Johnston, Mr. C. G. Pendred and Mr. M. J. Birks will be taken into partnership with MONTAGU LOEBL STANLEY & CO., stockbrokers, from April 22.

★

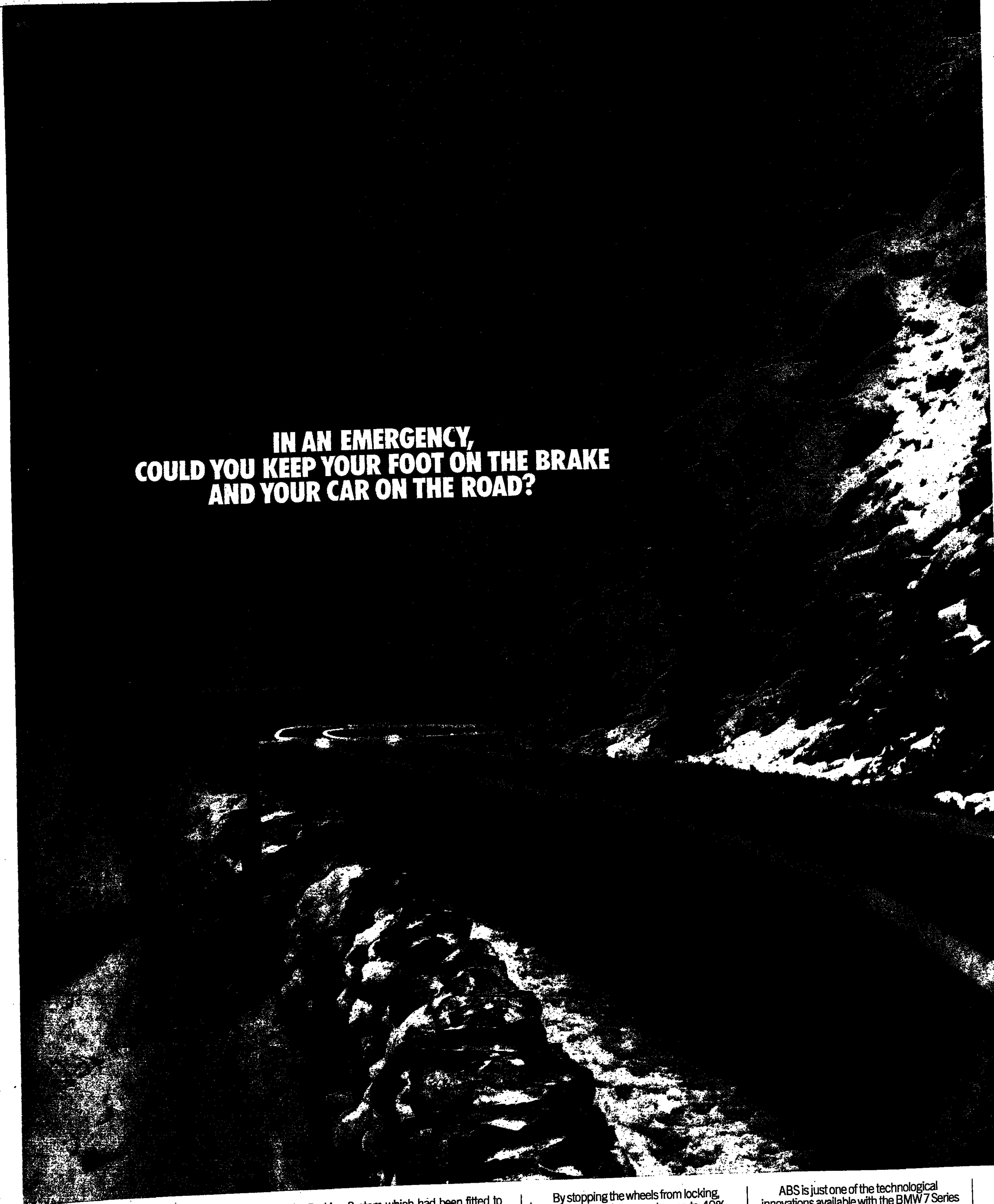
Mr. Mike Summersgill has been appointed senior local director of BARCLAYS BANK'S Guildford district.

★

Mr. Frank Boiteux has been appointed deputy managing director of IPC EXHIBITIONS and IPC CONFERENCES, subsidiary companies of IPC Business Press. He was formerly executive director of those companies. Mr. Chris Timmins and Mr. Len Marvelly, exhibition organisers in IPC Exhibitions, have been appointed executive directors.

★

Mr. David S. Emm has been appointed a director of CRONER PUBLICATIONS.



Until the 1974 Nurburgring six hour race it was a cardinal sin to try to brake and steer at the same time.

Your wheels could lock up and then the car would slide out of control.

But at Nurburgring, every time Hans Stuck, driving a BMW 3.0 CSL, braked, he gained a slight edge on the other cars.

He braked later as he went into each bend, and he kept on braking right round the bend.

Yet the car remained under perfect control.

The reason was the ABS Electronic Braking System which had been fitted to his BMW.

Now, after years of development, this system is fitted as standard to every BMW 735i (as well as being optional on the 728i and 732i).

With the help of an under-bonnet computer, it makes sure that the cars' wheels can never lock up.

So, as this example shows, you can brake hard yet corner safely.

Which, if there is a jack-knifed lorry or a landslip round the bend, can keep you out of harm's way.

By stopping the wheels from locking, the system also lets you stop up to 40% quicker in a straight line.

An advantage that was not lost on Judith Jackson of the Sunday Times.

"My test drive in the BMW was actually more impressive than I'd intended.

On my way home I was suddenly confronted by a stray, Kamikaze pilot coming fast towards me on the wrong side of the road.

Thanks to ABS, both cars—and both drivers—were saved from what otherwise must have been certain disaster."

ABS is just one of the technological innovations available with the BMW 7 Series which, taken together, challenge whatever preconceived notions you may have about luxury cars.

Over the next five years, developments like these are likely to be commonplace in luxury cars. However, should you be confronted by an unpleasant surprise on a mountain road, such a delay may be longer than you want to wait.

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Vickers metals plant on Tyneside to be closed

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE VICKERS group plans to reorganise its defence systems division, based at the Elswick works on Tyneside, and close its non-ferrous metals division there with a loss of about 620 jobs.

Vickers is to build a new factory alongside the Elswick works on the site of the old Vickers' Scotswood factory, which closed in 1979. The decision to build the factory, at a cost of £7.5m, has been helped by the fact that the area forms part of an Enterprise Zone.

When it is commissioned in July 1982, it will house the manufacturing and office facilities of the new defence systems division.

Mr. Gerald Boxall, chief executive of Vickers' Military and Hydraulics division, told staff at Elswick yesterday the plan will provide a firmer base for the traditionally cyclical defence business.

Vickers says its last major order for battle tanks was in 1977, and that even if a reasonable order was placed today the high overheads of operating at the old Elswick factory would still mean that the unit was not viable.

With a much reduced indirect labour force—to be slimmed from 850 to about 450 over the next 15 months—and a programme for building armoured fighting vehicles, the division is expected to be stronger. It is also planned to take on heavy engineering work in the new factory, similar to that which was carried out at Scotswood.

The decision to withdraw from rolled and extruded non-ferrous metal products, with the loss of 220 jobs, has been taken on the grounds that capacity in the UK is about twice the level of demand.

Vickers says it has only a 4 per cent share of this declining market, and the division will be run down over the next three to four months.

The pressings facility at Elswick, which is part of the motor group formed since the merger of Vickers and Rolls-Royce Motors, has been pronounced secure.

Employees were told yesterday that the group intends to remain on Tyneside, and it is hoped that new employment in sales and design will be created when the new factory opens.

Mr. George Arnold, divisional organiser for the Amalgamated Union of Engineering Workers, said last night the planned redundancies came as a bombshell. About 600 men earlier walked out of the works on learning of the plans, which will mean an eventual cut of about 40 per cent in the Elswick workforce.

Government criticised by rates officers

BY ROBIN PAULEY

THE GOVERNMENT had caused a rates explosion and introduced chaos to local government finance the Rating and Valuation Association said yesterday.

The independent association, whose membership comprises local authority officers, warned that a further rates explosion would result if the Government tried to "mess about" with the rating system. It said the Government's most urgent task should be to tackle the muddle caused by the new grants system.

The association also attacked Mr. Michael Heseltine, Environment Secretary, for trying to impose what it described as unreasonable spending targets and assumptions on councils.

Mr. Heseltine had asked councils to cut their spending in 1981-82 by 5.6 per cent compared with their actual expenditure in 1978-79, and to budget for increases of 6 per cent on pay and 11 per cent on prices.

Mr. David Hopkins, treasurer of Westminster city council and an officer of the association, said councils which had accepted the target figure as well as the pay and price assumptions might have to call a supplementary rate in 1981-82 unless they had money in reserve.

The association predicted that figures which confirm previous estimates that an average of domestic rate rises in April will be about 20 per cent, with ratepayers in London and the large cities suffering a more severe burden than ratepayers living in rural areas.

The average rises in inner and outer London will be 40 and 30 per cent respectively, compared with 11 per cent in the rural areas.

The increases were in line with Government's policy of shifting grant away from densely-populated urban areas to the shires. However, the problems needing financial support were mainly in the cities.

For this reason more money had been channelled into the cities over several years, but that policy was now being reversed in one year with severe consequences, Mr. Hopkins said.

Shoe retailing report welcomed

BY JAMES McDONALD

MR. GORDON BORRIE, director geenral of the Office of Fair Trading, yesterday welcomed recommendations aimed at reducing the estimated £40m of faulty or unsuitable shoes sold to consumers each year.

But he does not accept a recommendation that the office should encourage customers to accept free repairs to shoes where the complaint is justified rather than a refund or replacement.

The recommendations, in a report by the Shoe and Allied Trades Research Association, follow a survey carried out in conjunction with the Multiple Shoe Retailers' Association.

"Analysis of Consumer Complaints about Footwear," SATRA House, Kettering, Northants.

Midlands £110m water scheme

By Lorne Barling

THE SEVERN-TRENT Water Authority is to spend £110m in the next 10 years on improving water supply in the Midlands. The improvements will avoid the need for new reservoirs and save about £10m on earlier estimates.

The scheme, announced yesterday, will also mean that the authority will shelve plans to participate in the £100m Craig Goch water storage project in Wales. This would have been the largest of its kind in Europe, but its future is now in doubt.

Instead of constructing new reservoirs, which are increasingly costly and draw environmental opposition, the authority will make increased use of natural underground storage and an adaptable system using rivers and pipelines to reach consumers.

However, a major part of planned expenditure (calculated at March 1980 prices) will be on the £38m Carsington reservoir in Derbyshire. This is already under construction and will meet projected increases in demand from the East Midlands.

A sum of £10.2m will be spent on a pipeline connecting Coventry, Nuneaton and Leicester, through which water will be able to flow in either direction, depending on requirements.

The authority has also applied for planning permission to sink 72 bore-holes in Shropshire at a cost of £11m. These will tap large underground "sponges" and pump water into the River Severn to raise its level during dry periods. The work would take a decade to complete.

Overall, these measures are expected to provide enough additional water to meet a 25 per cent increase in Midlands demand by the turn of the century.

Mr. Brian Scarlett, chairman of the project working party, said the interlinking of water sources in a number of places would save about £10m and operating costs would also be reduced through power conservation measures.

He described the scheme as "very elegant in engineering terms."

Mr. Scarlett added that, although water rate increases in the area had risen broadly in line with inflation, planned improvements could mean a real reduction in future.

Call to base benefit on need

THE PAYMENT of social security benefits should be based on need, not on National Insurance contributions, according to the Child Poverty Action Group.

A paper published by the CPAG says the present contribution tests exclude many people from entitlement to benefit.

Each year, says the CPAG, thousands of claimants receive either no National Insurance benefit or reduced benefits because they have not paid sufficient contributions.

ICI refused cheap electricity

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE ELECTRICITY supply industry has told the Government it cannot cut its charges to Imperial Chemical Industries' chlorine business. ICI yesterday confirmed that its UK chlorine operation would be "placed at considerable risk" if the problem of high electricity costs was not resolved.

ICI, whose chlorine and chlorine derivates business employs about 11,500 people, says it has to pay about twice as much for electricity in the UK as it does in West Germany. Electricity charges account for 60-80 per cent of the cost of making chlorine — a chemical used in the manufacture of a range of things from plastics to pesticides.

The Department of Industry said yesterday a number of proposals on ICI's electricity bills were being discussed by officials, by the company and by the electricity supply industry.

Meanwhile the electricity supply industry has sent a memorandum to the Government stating that there is no way of reducing ICI's charges within the present pricing framework. The electricity industry believes the ball is now in the Government's court and it will have to intervene if ICI is to be helped.

ICI helped prepare the memorandum which gives details of the disparity between UK and West German electricity charges. The group said yesterday: "We and the electricity supply industry have identified the problem and there does not appear to be a solution within the Chancellor's Budget concessions on energy prices or through such things as load management, load shedding or tariffs. This is particularly the case on the urgent problem of the electricity prices we pay in the UK for chlorine manufacture."

But ICI said it was still discussing with the electricity industry and with officials "various proposals that had been put forward." Last night there was some speculation that the Government might be preparing to give ICI special help—possibly in the form of a selective subsidy.

The Department of Energy said yesterday that the Government was "aware of and concerned about" problems ICI was facing on "this front."

ICI, whose chlorine production is centred at Runcorn in Cheshire where its Mond division is based, stressed that it had no "immediate" plans to shut down UK chlorine capacity on account of the price of electricity. But the future health of the chlorine and derivates business in the UK was at a considerable risk.

Steel industry calls for help with power

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE STEEL industry, smarting over "totally inadequate" Government concessions on energy prices, has called for a fundamental restructuring of electricity tariffs to help major industrial consumers.

The British Independent Steel Producers' Association and the British Steel Corporation have each submitted a memorandum to the Electricity Council calling for major changes in the bulk supply tariff, the main factor determining power prices.

They want large industrial users, such as steelmakers, to be treated as part of the electricity supply industry's base load and get cheaper tariffs as a result.

The Electricity Council is reviewing the bulk supply tariff. This is likely to take all year. The memoranda are the steel industry's response to the council's call for submissions.

Yesterday, BISPA and BSC officials made it clear the documents were only part of their effort to change the Government's energy policy following this month's report by a National Economic Development Council task force. The report said large industrial energy users suffered a substantial price disadvantage compared to continental rivals.

BISPA officials said the Government's response — a package of price concessions in the Budget—had been "totally inadequate compared to the discrepancies shown up by the task force."

On electricity, promised "pricing flexibility" by area boards would merely reduce this year's price rises from 15 per cent to 12 per cent—cutting the discrepancy with the continent by only one tenth.

A second concession — price discounts in return for industry making power reductions at short notice—could not be used by many steel-makers because of the disruptive effect on manufacturing processes.

In its memorandum BISPA said it was unfair that large industrial consumers should be heavily charged for their contribution to peak power demand.

"Our alternative to the present pricing structure would be much nearer the European and North American practice where the electricity utilities view their bulk users as the base load to their systems.

"Unlike the electricity supply industry, steel producers have to be acutely concerned with production costs overseas because the industry's products are freely traded throughout the world.

"Moves to correct the present glaring discrepancies would be important at any time; in the present desperate state of the UK and European steel market such corrective action is urgent and imperative," said BISPA.

Plain speakers attack garbled jargon

BY JAMES McDONALD

EVERYONE WHO has had to wrestle with an explanatory leaflet on how to fill in a slightly less complicated form will sympathise with the new drive by the National Consumers' Council and the Plain English Campaign to introduce simple, understandable language to the world of official forms, guides, letters, consumer agreements and insurance policies.

The NCC and the Plain English Campaign—who seem to disagree only on how to spell Gobbledegook* (or is it Gobbledygook?) — have produced a Plain English Training Kit, which they hope will be used widely by staff trainers.

At a press conference in London yesterday, Joan Macintosh, vice-chairman of the NCC, said: "One researcher estimates that if there was an improvement of just one per cent in the efficiency with which people use forms, the taxpayer would be saved over £1m a year."

Public money was being spent on producing "appalling rubbish." She cited the following paragraph from a Department of Health and Social Security "guide."

"The GMP is always calculated from revalued earnings factors rather than actual earnings. The earnings factor for this purpose is made up of earnings derived from national insurance contributions paid by the employee at the contracted-out standard rate on earnings between the lower and upper earnings limits in a tax year."

"Plain English Training Kit," Plain English Campaign, 78 Wiltshire Street, Salford; £15.

** English that is anything but plain.*

New find in Buchan oilfield

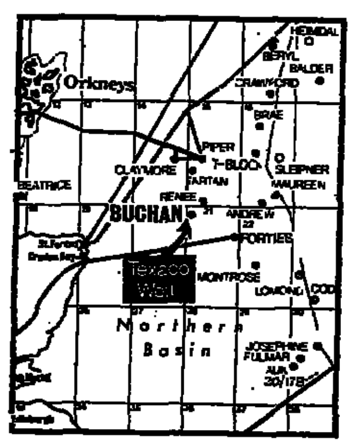
BY RAY DAFTER, ENERGY EDITOR

TEXACO HAS made a successful oil strike in the North Sea which has added significant new reserves to the Buchan Field.

The well was drilled on the western flank of British Petroleum's Buchan reservoir, some 100 miles North-East of Aberdeen. Within the industry, it is thought that Texaco has added between 25m and 50m barrels to Buchan's recoverable reserves, previously estimated at about 50m barrels.

The field, which straddles the boundary between Texaco's block 20/5 and the BP Consortium's 21/1 concession, is due to be brought on stream during the second quarter of this year — probably at the end of May or early in June.

As a result of Texaco's successful drilling operation, BP is understood to be planning a new underwater production well system on the western edge of the field. The rig West Venture, which drilled the appraisal well, has been retained by BP for this purpose. But it could be next year before the well — one of the most prolific in Buchan — is connected by pipeline to the main production and distribution system.



The West Venture rig drilled to a total depth of 10,883 ft and tested a flow of 9,931 barrels a day. Texaco said the oil was of a light quality with a gravity of 33.3 degrees API (American Petroleum Institute).

Texaco added that the oil-bearing rock was thick but highly fractured—similar to the main Buchan reservoir.

Buchan is being exploited at a cost of £200m through a drilling rig converted to a floating production platform. The costs are being carried by Texaco and the BP Consortium but as a result of the latest drilling exercise the amount contributed by each company will have to be reassessed.

At present interests in Buchan comprise: BP (51.39 per cent), CanDel Oil (13.28 per cent), Charterhall (0.32 per cent), Gas and Oil Acreage (2.37 per cent), Lochiel (0.95 per cent), Natomas (13.28 per cent), St. Joe (13.28 per cent) and Texaco (5.13 per cent). Texaco's interest in Buchan will increase as a result of the latest well.

Even with the additional reserves, Buchan is one of the smaller North Sea commercial fields. It has also proved to be one of the most troublesome. Development problems, largely concerned with the conversion of the production rig, have meant that the field will be commissioned 20 months behind schedule.

European court to rule today on women's part-time jobs

By Raymond Hughes, Law Courts Correspondent

THOUSANDS of women doing part-time jobs—and their employers—could be affected by a judgment being given by the European Court of Justice in Luxembourg today.

The court has been asked to rule on whether a part-time woman worker is entitled to be paid the same hourly rate as a man doing a similar job full-time.

The ruling will be made in the case of a woman working for an Essex clothing firm who complained that her pay worked out at 10 per cent less than that of a man doing a similar machining job.

The case, in which the woman is backed by the Equal Opportunities Commission, was referred to the European Court by the Employment Appeal Tribunal in November, 1979.

About 3.75m women do part-time jobs in the UK. Of those, 20 per cent are in the distributive trades and 18 per cent in services ancillary to education.

Next in number are women in hospital and other medical and dental jobs, followed by those in insurance, banking and finance.

Those immediately affected by today's judgment will be women part-timers who can point to a man doing a similar job full-time, with whom their pay rates could be compared.

The EOC said yesterday that the problem for most women part-timers was that they worked in fields where no such comparison was possible.

Guardian fined for fraud trial contempt

THE GUARDIAN newspaper was yesterday fined £5,000 for contempt of court in publishing an article which caused a huge fraud trial at the Old Bailey to be abandoned after 127 days.

Lord Lane, the Lord Chief Justice, said thousands of pounds in legal costs had been thrown away by "this stupid action" and by a failure to take simple precautions.

As a result of the paper's unwitting disclosure that two men on trial had previously escaped from custody, the jury had to be discharged and a re-trial ordered. The Guardian had apologised.

Dockland planning powers urged

THE TOWN and Country Planning Association has urged that the London Docklands Development Corporation should have powers to make statutory development plans for its area.

Government proposals allow neither for a clear development plan nor for adequate public scrutiny, it said.

Courtaulds to sell Celanese name

COURTAULD'S British Celanese subsidiary is to change its name to Courtaulds Acetate under an agreement reached between the British group and the Celanese Corporation of the U.S. Courtaulds will release rights to the name and trademark Celanese for an undisclosed sum.

The common name dates more than 60 years to the establishment in Britain and U.S. of two separate companies making cellulose acetate by Henry and Camille Dreyfus.

£24,000 for bronze

A BENIN bronze — a head of an Oba, dating from the first part of the 17th century — sold for £24,000 plus 11.5 per cent buyer's premium and VAT, at a Sotheby's auction of primitive works of art yesterday which totalled £218,999. At Phillips' sale of paintings The Wounded Finger by James Hayllar sold for £4,600, well above forecast.

TOPS finds saving

UP TO £3m a year will be saved by the introduction of a simpler method of paying people taking Training Opportunities Scheme (TOPS) courses run by the Manpower Services Commission. From April 2 only two basic rates will apply.

School data rules

PARENTS will be entitled to demand written details of disciplinary policies, curricula and other features of State schools, under regulations which the Government intends to bring into force by Easter.

Services cost more

SPENDING on personal social services rose by 21 per cent, to £1.8bn between 1978-79 and 1979-80, according to the Chartered Institute of Public Finance and Accountancy.

Chamber warning

THE NATIONAL Chamber of Trade warns in its annual report that it may have to make cuts in its services to members because of the effect of inflation on its finances.

Call on training

THE INDUSTRIAL training board for the food, drink and tobacco industries should be scrapped, the Food Manufacturers' Association told the Government. Training at local level was sufficient.

Computer skill shortage 'still serious'

BY JASON CRISP

THE SERIOUS shortage of computer skills remains the biggest constraint on the development and adoption of computer technology in the UK, says a report published yesterday by the National Economic Development Office.

The report calls for urgent action to establish more effective training in computer skills. Last summer the Electronic Computers Sector Working Party published a major report on the shortage of computer skills. Yesterday's follow-up study indicates that not nearly enough has been done to alleviate the problem.

The Electronic Computer SWP says there has been a slight easing in the demand for computer staff as a result of the recession, but the Manpower Services Commission must ensure that government and privately financed training is adequate to meet current and future demand

Last summer's report warned that the spread of computer technology in the UK would be severely hampered by skill shortages. It estimated that there were 275,000 people in the UK with computer skills, at least 25,000 fewer than was immediately needed.

The report said that the shortage of computer programmers and analysts could be eased by more numerous and better designed training programmes.' However it warned that there was a much more serious problem of the shortage of staff with skills in engineering systems and software for suppliers of computer hardware and services.

Today's company meetings

Aaronson Bros., Savoy Hotel, WC 12. Badulipar Tea, 1 Hobart Place, SW 12. Bertrams, St. Katherine's Works, Sciennes, Edinburgh, 12. Lancashire and London Investment Trust, Winchester House, 100 Old Broad Street, EC, 11.30. Marchwiel, Grosvenor Hotel, Chester, 12.15. Pleasurama, Churchill Hotel, Portman Square, W, 10.30. Rights and Issues Investment Trust, Dauntsey House, Frederick's Place, Old Jewry, EC, 12. Romal Tea, 5 High Timber Street, EC, 3. Williamson Tea, 5 High Timber Street, EC, 12. Wrexham and East Denbighshire Water, Crest Hotel, Wrexham, 2. Yeoman Investment Trust, 1 Brewers Green, Buckingham Gate, SW, 11.

Christine Moir looks at the CSI's personal dealing recommendations

New guidelines for investment managers

INVESTMENT managers engaged in the professional management of funds will soon receive a six-page set of guidelines on how to conduct their personal dealings.

The pamphlet will be sent to them either through their professional associations or directly from the Council for the Securities Industry.

Under the guidelines, all fund managers will be required to follow the the following general procedures:

- Sign a document saying they are familiar with the statutory provisions of the Companies' Act 1980 on insider dealings.
- Bind themselves to the Stock Exchange Model Code on dealings by directors, where the link betwen the fund and a company is unusually close.
- Never deal until after the fund has completed its order, or decided not to deal.
- Never deal in securities which are on the "restricted" or "stop" lists of the fund.

Over specific transactions, fund managers will be required to report all dealings to their employers within 48 hours on the condition that the employer agres to treat the information in confidence. The guidelines do not lay down strict details for the information reported, but suggests it could inclnde the name of the person (including spouse or minor children or trusts), the security, the number bought or sold, and the price, date and broker

The guidelines leave it open whether the employer should vet the broker in advance, but in any case "fund managers should not be allowed to request or to receive financial accommodation from brokers."

The CSI has stopped short of outlawing speculative dealings. This was one of the most contentious issues studied by the working party, which has been drafting the guidelines since June. It finally decided that to refuse to commit speculative dealings of any kind would be an unfair restriction on fund managers' freedom to deal.

However, the guidelines lay a heavy responsibility on employers and fund managers to ensure they do not carry out deals "which they cannot afford to settle if called upon at any time."

Employers should also "give particular consideration" as to whether their own in-house rules should allow uncovered transactions such as "selling short"—selling shares which one does not own in the hope of buying them later at a lower price.

Guidelines for Personal Dealings by Fund Managers, CSI No. 4, available from the CSI, 20th Floor, Stock Exchange Tower, London EC2N 1HH.

Court rules on North Sea gas pricing

By Raymond Hughes, Law Courts Correspondent

THE BASIS on which the price paid for North Sea gas by the British Gas Corporation can be increased to account for hardship suffered by producer companies, a High Court judge has ruled.

The corporation is in dispute with the Phillips and Arpet consortia. They sell it gas from the Hewett and North of Hewett fields.

Under the operating agreements if a company feels that because of a change in economic circumstances it is suffering substantial hardship it can request a meeting with the corporation to discuss a price adjustment.

If no agreement is reached the dispute goes to a panel of experts. If the panel decides a price increase is justified it makes an award, to take effect six months after the date of the company's original request.

The principal issue for the Commercial Court was whether the panel had to "offset and alleviate" the hardship being suffered by the company at the effective date, as the corporation contended, or whether it had the power in effect to backdate its award.

Giving a reserved judgment Mr. Justice Parker said two extreme views had been advanced. One was that there was no power to take into account hardship suffered before the effective date. The other was that there was power to alleviate all hardship whenever suffered.

He rejected both extremes. The relevant hardship, he held, was that which the company felt it was suffering at the date of its request for a meeting. Neither past hardship nor any arising thereafter could be taken into account.

But, he said, if the substantial hardship that provoked the request was one unbroken hardship it could be alleviated in the sense that the panel was not obliged to exclude it from consideration.

It would be for the panel to decide whether it would be fair to the parties to do so, the judge said.

On a secondary issue the judge ruled that there was no obligation on the two consortia to act jointly in making any request for a price review.

But, he said, the companies in the Arpet group had to act jointly as a group.

ICFC HELPS REDUNDANT EMPLOYEES CREATE JOBS

Rosy outlook for small-scale Stoke pottery enterprise

BY ELAINE WILLIAMS

IN AN old Nissen hut and two rooms rented from a local engineering company in Stoke-on-Trent, the Rose of England pottery company is celebrating the first nine months of an attempt to prove that a small enterprise can succeed where a famous company failed.

Rose of England was started by Kevin Dickin, and three redundant pottery workers, when they lost their jobs in the collapse of Royal Stafford China. After initial difficulties order books are full, more than half the sales are exports and the company is expected to reach a turnover of £250,000 this year.

In August Mr. Dickin, his wife Barbara, Mrs. Christine Wood and her husband Eric began to send samples of fine bone china to agents and prospective customers. Between them they invested £30,000 of their savings in the venture.

Another £50,000 was supplied rather to Mr. Dickin's surprise, by the Industrial and Commercial Finance Corporation, which has a 20 per cent shareholding in Rose of England.

In June, Mr. Dickin, a 45-year-old accountant and his three colleagues were among 200 workers who lost their jobs when Royal Stafford China, makers of fine bone china since 1845, went into liquidation.

Mr. Dickin had been managing director of Royal Stafford for two years. In his opinion the company was already insolvent when he took the job. Although losses were cut from £400,000 a year to £96,000 the high overheads, inefficient equipment and the strong pound eventually forced Royal Stafford to close.

Mr. Dickin and Mrs. Wood, Royal Stafford's sales director, believed there was a future for the company on a limited scale. They put takeover proposals to John Maddock, the holding company in London, but were sacked on the spot because Maddock saw a conflict of interest.

Attempts to buy the remnants of Royal Stafford after its closure were unsuccessful and Kevin Dickin and his colleagues joined the dole queue in an area where 120 people compete for each job vacancy.

Mr. Dickin realised the only way he could find employment in the industry again would be to set up his own company.

Originally Rose of England planned to limit production to a small range of coffee and tea cups and saucers. But kilns recently installed to make whiteware can also produce extra items such as bowls. Rose of England intends to market a 30-piece set, but to keep costs down, the company will only make six different patterns.

Mr. Dickin and his partners believe they can succeed by strictly controlling costs and thus avoid the problems which crippled Royal Stafford.

All the workers, including the founders, are self-employed and the pottery decorators are paid for what they produce each day. Overheads such as factory rent are kept down by manufacturing in a small building.

The installation of modern £40,000 intermittent kilns allow the bone china to be produced economically on a batch basis. Mr. Dickin claims the company is one of the most competitive in Britain.

"By the end of the financial year we are on target for a turnover of £250,000. With only 10 people our productivity per worker is three times the national average," he claims.

The company's major market will be overseas. Already it exports more than 60 per cent of production of between 1,200 and 1,500 dozen pieces a week.

Before the installation of the new kilns Rose of England had to buy most of its white ware (undecorated china) from other suppliers. Getting supplies proved difficult partly because of a general shortage but also because as Mr. Dickin says: "We found a great reluctance by local pottery companies to sell us white wares.

Recently Rose of England received its first order from the U.S. worth £5,000 and hopes to get a £19,000 contract from Italy. The Netherlands is the main market where sales could be 2,000 dozen pieces a month

Mr. Dickin believes success for his company, and the whole pottery industry, will be by a return to small, family sized companies like those active just after the Second World War.

There are unlikely to be more than 30 employees at Rose of England

Better legal protection sought for insurance policy holders

BY ERIC SHORT

NEW LAWS to give better protection to those taking out insurance policies are proposed by the Scottish Consumer Council today.

The suggestion is made in a report based on a detailed study of the practices of life and non-life insurance companies. The council criticises in particular the obscurity of proposal forms which people have to fill in to obtain insurance cover.

Insurance companies are exempt from the provisions of the 1977 Unfair Contracts Terms Act, but the insurance associations have produced their own codes of good practice for the layout and questions contained in insurance proposal forms. The council says in a report out today that these Statements of Practice are insufficient because insurance companies still retain the legal right to end an insurance contract.

Secondly, the council says that many proposeal forms still use language which is difficult for the layman to understand. Moreover, the protection offered by insurance companies is often less than appears from first sight of the proposal forms.

The council sees only limited signs that the terms offered by companies are better than the literal recommendations of the code, while some recommendations are simply ignored.

The report suggests several ways in which insurance proposal forms could be radically improved. It wants:

- Simpler and jargon-free language.
- A redesigned layout with more space for answers.
- Questions to be specific, with a core of standard questions common to all proposal forms.
- A ban on general questions and those which cover different matters under one question.

More importantly, the council wants the duty of "disclosure" to be completely abolished. This obliges those seeking insurance to give any "other insurance to give any consider relevant to the proposa'.

The council also wants an independent body established by law to deal with disputes between insurance companies and policyholders.

* *Forms Without Fuss. Review of Insurance Proposal Forms. Scottish Consumer Council, 4, Somerset Place, Glasgow G3 7JT; price £2.*

Neglect of tracks threatens rural rail lines

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

LACK OF maintenance of track and signalling equipment may lead to unavoidable closures of branch lines says a Policy Studies Institute paper on the future of rural railways.

The paper brings together the proceedings of a conference on rural railways held by the institute in January, at which three of the speakers were from British Rail.

The broad conclusions of the institution's collection of papers support BR's contention in its "Rail Policy" report last week that the rural railways are at risk. BR said that 3,000 miles of track would have to be withdrawn from use by 1990 unless investment to replace worn-out assets is increased.

The institute accepts that rural railways as a whole are "undoubtedly financially insecure." The income from passengers does not even cover the direct costs of running the trains, let alone the overheads of providing the service. Revenue in 1979 came to £53m compared with direct costs of £95m.

The institute also accepts that rural communities do "survive" the loss of their rail service, but only at a cost to the pattern of people's daily lives.

Osteopaths prescribe a good sleep

By James McDonald

BRITAIN'S OSTEOPATHS, who are not available under the National Health Service, are advising people to have "a good night's rest" so as to avoid anxiety headaches.

To those worried about their jobs, and the jobless the osteopath's second free tip is to follow an "all-absorbing hobby." such as football, swimming, badminton, dancing or yoga.

The appointment books of osteopaths—muscle and bone manipulators—have never been so full, according to Mr. Colin Dove, spokesman of the General Council and Register of Osteopaths.

"Tension and long working hours, as well as anxiety about long-term job prospects and unemployment, cause many people to suffer tension headaches and neck and back pains.

"It is well known that there is increased incidence of illness among unemployed people."

These tension pains can usually be relieved by manipulative treatment but are liable to recur unless some effort is made to alleviate the anxieties which cause them. Registered osteopaths, says Mr. Dove, apart from being already over-worked, believe that prevention is better than cure, and so have offered suggestions.

The osteopaths also suggest that an occasional weekend break with relatives or friends can help to ease the burden of occupational stresses, particularly if it involves some relaxed physical activity.

BSC to switch sheet-steel jobs

BY ROBIN REEVES, WELSH CORRESPONDENT

THE British Steel Corporation is to move the work of the two sheet-steel processing factories into former foundry premises inside the proposed Swansea enterprise zone at Landore.

The move coincides with Swansea city council becoming the first local authority to complete formalities required to proceed with a zone. The 735-acre zone is in the Lower Swansea Valley.

British Steel Corporation's Landore foundry was closed last year because of the drop in BSC's demand for ingot moulds and bottom-plates. Later it was decided to include the premises in the Welsh enterprise zone.

BSC has now decided to transfer production from two nearby works, Neath sheet-steel and Cwmfelin press and welding, to Landore and to take advantage of enterprise zone benefits.

The two works, together employing 360 people, manufacture steel prossings such as ammunition boxes, jerry cans, steel lockers, and agricultural implements. They have been operated as a single production unit for some months. The transfer to single premises will be made over the next year.

BSC stressed that the zone incentives were incidental to the move, that there were advantages in concentrating operations under a single roof, and that the original premises were old. Neath was built in 1858, Cwmfelin in 1896.

A controversy over the extent to which the zone should be available for retail ventures was resolved. Councillors accepted an upper limit of 45,000 sq ft in retail developments, effectively barring superstores.

Swansea received more than 200 inquiries about buildings or sites in the zone. About 75 per cent were from the non-manufacturing sector, notably distribution and servicing.

- Liverpool City council gave qualified approval to the enterprise zone at Speke.

The 340-acre zone near Liverpool airport, provides 4m square feet of factory space.

Food chains plan to sell video films

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

TWO SUPERMARKET chains, Tesco and Fine Fare, plan to sell pre-recorded video-cassettes from some of their larger stores, to gauge demand for new forms of home entertainment.

Tesco will sell pre-recorded films and other features on video-cassette from three stores from mid-April. Fine Fare plans to sell video-cassettes from five superstores from May.

The move follows the recent decision by non-food High Street retailers such as W.H. Smith and F.W. Woolworth to sell or rent video-cassettes.

Tesco and Fine Fare however plan to sell video cassettes only. They have no plans at this stage for a rental operation.

Chains such as Tesco and Fine Fare watched the growth of the home video-market to decide whether to enter it. An estimated 500,000 domestic video-cassette recorders are used in the UK. The industry expects that number to double this year.

Rumbelows, a major retailer of video-cassette machines, says sales have steadily increased in spite of the recession. It expects a surge in sales because of the Royal Wedding in July.

The supermarkets' interest in selling pre-recorded video-cassettes is part of their policy of trying to find growth areas in non-food products which carry higher profit margins than groceries. Also, food sales are static, forcing supermarket chains to compete more vigorously for a bigger share of the market.

But both Tesco and Fine Fare are only experimenting with video-cassette sales. They will decide whether to extend their sales to other stores after initial test-marketing is completed.

Meanwhile, the Argos discount stores chain decided to sell cut-price records and audio-cassettes. The move is likely to put more pressure on independent record-dealers faced with a slump in record sales over the past year.

UK NEWS—LABOUR

Bank union votes for 10%

BY NICK GARNETT, LABOUR STAFF

OFFICIALS of the Clearing Bank Union will decide within the next few days how to act on the advice of its membership ballot which will recommend acceptance of the clearing banks' 10 per cent pay offer.

The counts for CBU members at Barclays and National Westminster have been completed. Lloyds' count will be known later today or tomorrow. The total ballot result will be given for the CBU as a whole, probably on Wednesday.

This total will almost certainly be separated into two ballot results—one for clerical staff and the other for technical and services staff.

The flow of ballot papers appears to indicate that CBU members are voting for a reluctant acceptance.

That would result in a majority supporting the proposition that the offer is inadequate but recommending acceptance. Union and some bank officials have said that they expect this to have received greater support than the proposition saying the offer is fair.

Much of the support for the proposition that the offer is fair may have come from the more senior managerial members within the union. There has also been some support for the proposition rejecting the offer as inadequate and supporting industrial action.

The ballot is designed to present advice to CBU officials. Announcement of a reluctant acceptance could still leave CBU officials with a decision on how to proceed.

There has been some suggestion that the CBU might not immediately request payment of the 10 per cent if their members are only reluctantly advising acceptance of the offer.

The Banking, Insurance and Finance Union is still balloting its members on proposals for a second phase of industrial action. The ballot's result will be announced on Friday.

The bulk of BIFU messengers in sensitive areas are more likely to be part of a proposed third phase of industrial action.

TUC in talks to increase union strength in Press Council

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE TUC and the Press Council are discussing the possibilities of increasing trade union representation on the council and giving it tougher disciplinary powers.

A radical re-structuring of the council is seen by the TUC as a prerequesite for its continued support. It follows a decision by the 1979 Congress to "campaign for a reformed, independent and impartial Press Council."

The talks are being conducted by the TUC's Media Working Group under the chairmanship of Mr. Moss Evans, general secretary of the Transport and General Workers' Union. The group hopes to be able to agree a formula to present to this year's Congress in September.

One of its aims is to get the council to agree a code of conduct for newspapers, which it would then police. This was one of the recommendations of the 1977 Royal Commission on the Press.

The group also wants the council's lay membership to be more representative of the newspaper-reading public, and to boost National Union of Journalists' seats from four to eight with one for the smaller Institute of Journalists rather than its present two.

At the two meetings held between the group and the council little has been agreed except the need to continue discussion. Mr. Kenneth Morgan, director of the council, said yesterday that the meetings had been "friendly."

The talks were given an extra dimension when the NUJ withdrew last year from its four seats, following a decision by its 1980 annual delegate meeting. The ADM had held that the council was biased against trade unions.

Mr. Francis Beckett, President of the NUJ, said at the opening of the union's 1981 ADM in Norwich yesterday that "if really substantial changes are agreed, I would not put it beyond the bounds of possibility that they may enable us to return to the Press Council."

Later, however, the union reaffirmed its hostility to the council by overwhelmingly passing a motion from its magazine branch instructing the national executive committee to develop a structure within the union to handle complaints from the public.

The motion calls on the executive to establish a liaison committee with other media unions "to ensure that complainants secure proper redress."

Mr. Beckett, in the course of his opening speech, also referred to the "crisis" in the NUJ's finances, saying it was £106,000 in debt.

He said that "at one time during the past 12 months our overdraft stood at £160,000. We were paying 19½ per cent on it and we stared ruin in the face."

But motions to freeze budgets and to move from annual to biennial delegate meetings in order to save costs were defeated. A move to institutionalise an annual women's conference was also defeated.

Shipbuilders may revise pay offer

BY PAULINE CLARK, LABOUR STAFF

PAY TALKS affecting 70,000 shipyard workers resumed yesterday amid fears of a possible confrontation over compulsory redundancy plans.

British Shipbuilders were expected to table a revised pay offer following rejection last week of a 6.8 per cent offer to the Confederation of Shipbuilding and Engineering Unions.

Employers were hopeful last night of an amicable settlement to the pay issue. However, talks were believed to have taken place in an atmosphere soured by the corporation's proposals to make compulsorily redundant about 630 workers, to complete its target of 2,100 job-cuts by the end of this month.

Unions have co-operated with a major programme of voluntary redundancies in the industry but have consistently opposed any suggestion of enforced cuts. The issue is expected to be discussed in detail at a delegate conference of shipyard workers' representatives planned to take place in Newcastle next Monday.

However, the corporation has warned unions its restructuring programme is being treated as a matter of urgency. Steps may be taken shortly to start the process of identifying individuals to receive formal redundancy notices in yards where a major shortfall in voluntary applications has occurred.

Half the cuts will affect staff and will focus on the chief loss-making ship-repair groups, such as the Vosper and Tyne Group.

The corporation, losing about £100m a year, has also rejected as unrealistic a union pay claim which it estimates to be worth 27 per cent. The unions are pressing for a deal comparable with settlements elsewhere in the public sector.

Dockers hit ferries at Felixstowe

Financial Times Reporter

THE PORT of Felixstowe was at a standstill yesterday when a meeting of about 800 workers decided not to implement a new work agreement and came out on strike.

The men, members of the Transport and General Workers' Union, had been told by management that a new work agreement aimed at cutting out wasteful practices would begin yesterday.

Dockers' leaders said they were willing to operate the old work agreement during negotiations but would not accept a new agreement, which they claimed would cut overtime earnings.

Felixstowe is owned by the European Ferries Group, which indefinitely cancelled passenger services operated by Townsend-Thoresen linking Zeebrugge because of the strike. About 50 motorists and 100 passengers had to be turned back.

Unions protest at steelworks change

UNIONS launched a protest yesterday about plans to streamline the British Steel Corporation.

They are angry because they say that they were not consulted about the decision to create a limited company to run the Stanton works at Ilkeston, Derbyshire. Already the matter has been reported to Labour MPs and they plan to raise it with the all-party Commons committee on the steel industry.

Mr. Brian Fisher, district organiser of the Blastfurnacemen's union and a member of the TUC Steel Committee said: "Well over 3,000 workers are involved and yet nobody has told us what was happening until it had virtually happened."

Stanton works, which makes iron and concrete pipes and is one of the few profitable parts of BSC, became a limited company yesterday with all its shares owned by BSC.

Walker evasive on fishing access

By Margaret Van Hattem, Lobby Staff

EVASIVE ANSWERS from Mr. Peter Walker, the Fisheries Minister, in the Commons yesterday have strengthened Opposition suspicions that the Government has relaxed its stance on the question of French access to British coastal waters.

Pressed by opposition MPs to confirm that the Government have given no concessions and would give no concessions, particularly in the 12- to 50-mile coastal belt, Mr. Walker repeatedly dodged the questions, merely insisting that the Government had the full support of the Fishing industry on this matter.

When asked to confirm that fisheries negotiations had not and would not be linked to parallel EEC negotiations—such as the budget contributions negotiations—he replied: "One cannot do better than work with the industry in determining what is an acceptable position."

However, he indicated that the French, now preparing for Presidential elections in May, were not at this stage willing to discuss the questions.

Speaking on his return from last week's abortive fisheries council in Brussels which broke down after less than two hours of talks, Mr. Walker said: "It quickly became apparent that one delegation was not able to negotiate on the crucial question of access and that therefore there was no possibility of agreement on a comprehensive devised common fisheries policy."

Asked whether serious negotiations would have to wait until after the French election, he replied that this was up to the Dutch Government, which currently holds the presidency of the Council of Ministers, but gave no indication that he expected early progress.

In the meantime, the Government has allocated a further £25m for the Fishing Vessels Temporary Support Scheme introduced last August "to help the industry through the continuing uncertainty and difficulty."

Civil servants could face disciplinary action

BY IVOR OWEN

DISRUPTIVE ACTION by civil servants has so far caused a shortfall in Government receipts in excess of 20 per cent, Mr. Leon Brittan, Chief Secretary to the Treasury, admitted in the Commons yesterday.

To Tory cheers he insisted that there was no prospect of such tactics forcing a change of Government policy and revealed that disciplinary procedures were being invoked.

Confirming that some cheques received by the Inland Revenue were not being banked, Mr. Brittan announced that the first stage of the process which could result in staff who refused to carry out their normal duties being sent home was started yesterday in some local collection offices.

He told Mr. Robert Sheldon, a Labour Treasury spokesman, that the deterioration in the Central Government's borrowing requirement as a result of the strike action was in the region of half a billion to three-quarters of a billion pounds.

But Mr. Brittan emphasised that this had not caused any increase in Government borrowing "of any significant size" because the Government had in any event already

Brittan: insisted that there was no prospect of a change in policy

planned to be borrowing to the extent required.

He could not quantify the amount of the consequent very temporary and small increase in the money supply. This would be correspondingly reduced when the cheques received by the Revenue were paid in.

Answering an emergency question tabled by Mr. John Peyton (C. Yeovil), the Chief Secretary stated that about three quarters of normal tax revenue was currently being received by the Exchequer.

"There is no risk to overall economic management as the money owed to the Government will eventually be paid over," he said.

Mr. Brittan explained that at most there would be a very short term increase in the money supply which would be subsequently corrected.

The main result of the civil servants' action at the moment, he said, was inconvenience to the public.

Amid Tory cheers, he warned: "There would be serious damage to the prospects for a further reduction in inflation if the Government conceded an excessive pay settlement."

Pressing for a more detailed account of the effects of the dispute, Mr. Sheldon asked what damage it was doing to the Government's already "rather injured" medium term financial strategy.

He also protested that one of

Sheldon: pressed for a more detailed account of the effects of dispute

the worst aspects of the dispute, particularly in view of the lectures which the Government so often addressed to industry, was the danger that civil servants would feel that they were disliked by their employer.

Mr. Brittan retorted: "There is no question of disliking our own employees. There is the question of a serious dispute which has arisen, but that is a quite different matter."

He saw not reason why the dispute should have any affect whatever on the Government's medium term financial strategy.

Mr. Ken Woolmer (Lab., Batley and Morley), contended that if the Government was convinced that the civil servants were receiving favourable treatment, there was no reason to suspect that Civil Service pay research unit.

Mr. Brittan reminded the House that the results of the pay research machinery had never been automatically implemented.

As had already been made clear, the Government wanted to make progress towards the introduction of new procedures for reviewing civil servants' pay which would be generally acceptable.

The Chief Secretary endorsed the view of Mr. William Van Straubenzee (C., Wokingham), that many civil servants regarded the 7 per cent offer as "a very reasonable one, particularly given the economic state of the nation."

Midlands recession 'may lose Tories funds from business'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE RECESSION in the Midlands may soon cause companies to cut their contributions to Conservative Party funds, Mr. John Sever (Lab., Birmingham, Ladywood) said in the Commons last night.

Speaking from the Labour front bench he said the situation would soon arrive when GKN, because of the redundancies forced on it by Government policies, would decide not to put any further funds into Tory Party coffers.

"The writing is on the wall of the Conservative Party Central Office that there is no more money coming as the jobs go out of the back doors of these factories," he said.

Mr. Sever was leading the Labour attack on the Government during an Opposition debate on unemployment in the Midlands.

He accused the Government of "presiding over the assassination of Midlands industry and the destruction of the hopes and dreams of many thousands of families

The Midlands was in danger of "terminal seizure" and the Government must provide a "pacemaker" at once. It should take measures to reflate the economy, support retraining schemes, increase skilled training for the young and provide the climate for the development of an industrial renaissance.

The present Government was the most doctrinaire and reactionary in modern British politics. On March 24 the number unemployed was just below 2.5m but if the unregistered jobless were taken into account the true figure would be more than 3m.

Subsidised foreign competition and the high value of the pound would mean further reductions in order books that were already thin. Engineering, motor vehicles, components and accessories, carpets, textiles and leather goods were all sectors experiencing extreme difficulty.

There was a growing feeling among small industrialists and entrepreneurs that they had been sold out by the Prime Minister and her colleagues. In particular, they were hit by high energy costs which they regarded as just another form of taxation.

Replying for the Government Mr. Michael Marshall, Under-Secretary for Industry, accused Mr. Sever of concentrating on the gloomy side of the picture and claimed there were some more optimistic signs in the area.

Mr. Marshall again stressed the Government's view that the control of inflation must be its first priority.

Sands in straight fight with West for Fermanagh seat

BY OUR BELFAST CORRESPONDENT

NORTHERN IRELAND will witness an amazing by-election fight on Thursday week between Mr. Harry West, former leader of the Official Unionist Party, and Mr. Bobby Sands, a Provisional IRA hunger striker serving 14 years in prison.

Both men are to stand in the marginal Fermanagh-South Tyrone constituency left vacant by the death of Mr. Frank Maguire, an independent member with Republican convictions, who held the seat since 1974.

In spite of speculation about a host of candidates, only the two names went forward. Mr. Noel Maguire, a brother of the late MP, withdrew his name yesterday, minutes before nominations closed.

If 26-year-old Mr. Sands wins the election, he will never take his seat in Parliament: He was jailed in 1977 for 14 years for arms offences, is now the unofficial leader of protesting Republicans and has been on hunger strike for a month.

Predicting an outcome in the by-election is fraught with difficulty. In 1979, with a turnout of almost 90 per cent, the anti-Unionist candidates in the constituency polled a total of more than 33,000 votes, as against 28,000 votes collected by two Unionists. The total electorate is more than 71,000 and at the last election Mr. Maguire won with an increased 4,900 majority over the official Unionist runner.

The main Catholic grouping, the Social Democratic and Labour Party, decided this week not to contest the seat, but to concentrate instead on Ulster's local council elections in May.

The party will face criticism from within its ranks for its failure to cater for moderate Catholic voters, who now face a dilemma. If they withhold their vote from a convicted terrorist, as they would wish, the way would probably be clear for a Unionist win.

Mr. West is making a return to active politics, after resigning the leadership of the Unionist Party in 1979, following a period in which his popularity had waned. He held the Fermanagh-South Tyrone seat briefly in 1974, having won in February that year as an agreed Loyalist candidate but losing it to Mr. Maguire in October.

This time his candidature is not agreed among the various Unionist factions. The Rev. Ian Paisley's Democratic Unionists —bitter rivals of the Official Unionist Party—did not field a runner after their attempt to find an agreed candidate had failed. However, in the local council elections, the DUP hope to win away large numbers of voters from the Official Unionists.

Mr. Sands is not disqualified from standing in a UK Parliamentary election. If he wins, however, his right to be elected will have to be challenged formally; otherwise, he will be able to stop others from sitting in his place.

The House of Commons Disqualification Act 1975 rules out criminals convicted by a court within five years before an election. The legislation makes it necessary for four members of the electorate to sign a petition stating that Mr. Sands was elected while disqualified under the Act.

The matter would be decided by a local election court—and the ruling could be contested in a higher court. If he is found to be disqualified, there would be another by-election, but nothing would prevent Mr. Sands from standing again.

There is speculation that if Mr. Sands tops the poll he and other Republican prisoners might call off their hunger strike, claiming there was widespread support for the introduction of political status, a move vehemently opposed by the Government.

May 1979 election result Fermanagh-South Tyrone: Electorate, 71,481; Turnout 88.9 per cent.

F. Maguire (Independent	22,398
R. Ferguson (Official Unionist)	17,411
A. Currie (Independent SDLP)	10,785
E. Baird (United Ulster Unionist)	10,607
P. Acheson (Alliance Party)	1,070
Independent majority:	4,987

Left setback on councils

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

PLANS BY Labour Left-wingers to greatly increase the influence of local party members over Labour councillors received a setback yesterday. The party's local government committee rejected a proposal that local parties, rather than the members of Labour groups on councils, should elect the group leader.

But the committee did agree that improvements could be made in the relationship between local parties and Labour groups. A Right-wing motion saying no change was necessary in the present rules for election group leaders was rejected.

Now that the Left has achieved most of its demands for making MPs more accountable to the party rank and file, the far Left is increasingly turning its attention to local government. Last year Mr. Tony Benn proposed that the rules for electing both the leader and deputy leader of the Labour groups on councils should be changed to increase the influence of local activists.

Treasury hits back at critics

BY RICHARD EVANS, LOBBY EDITOR

THE GOVERNMENT responded last night to the unprecedented attack on its economic strategy from 364 university economists by underlining the failure of its critics to specify an agreed alternative strategy.

The initial reaction of Ministers was to dismiss the criticism as sour grapes and irrelevant, but the Treasury issued a formal statement "totally disagreeing with the assertion that present policies would deepen the depression and weaken the UK's industrial base."

"Countries pursuing policies broadly of the kind being implemented here are those with the strongest industrial base," the statement argues.

In the Treasury's view it was conspicuous that although the economists asserted that there were alternative policies they were unable to specify any such agreed alternatives.

Instead, the Government continued to agree with the substantial school of economists which did believe there was a strong connection between monetary growth and the rate of inflation.

The Government's thinking on this had been set out in detail in evidence to the Treasury Select Committee.

So far as output and employment were concerned, the Government's supply side policies had been designed to raise both output and employment. But experience had shown that injections of monetary demand could at best have a limited effect, and were ultimately counter-productive.

Mrs. Thatcher has no intention of replying formally to the open letter from the economists, who include 76 present or former professors and most of the key advisers to both Labour and Conservative Governments of recent years

But she is likely to be questioned on the criticisms during Questions in the Commons today.

In a wide ranging attack on the Government's economic strategy, Mr. Michael Foot, Oppositon Leader, used the criticism of the economists to illustrate the wide range of opinion now openly opposed to Government policy.

He said in a speech to Newham Labour Party in East London that in addition to warnings from the City, the CBI, TUC and an all party Commons Select Committee, there was now "the combined weight of hundreds of academics including a number of economic advisers to previous Governments, telling them they are wrong

The truth was that the Thatcher/Howe policies just did not work and the advice they were receiving from all quarters was that they must change their course if Britain was not to suffer the most serious industrial collapse in this century.

Pupil swap proposed by Williams

By Richard Evans, Lobby Editor

MRS. SHIRLEY WILLIAMS, who is at odds with other Social Democratic Party leaders on the future of independent schools, yesterday advocated a much greater exchange of pupils between the State and private sectors.

Mrs. Williams, former Labour Education Secretary, called for a scheme where pupils from major public schools attend local comprehensive schools and are "fostered out" to working-class families. In return, comprehensive school pupils would spend time at public schools.

"Pupils from Eton might easily find themselves at a comprehensive school in Liverpool, which might seem a rather wild idea but we have to break down the barriers," she told the Association of Secondary Head Teachers' conference in Sheffild.

She argued that there has been too much segregation in the education system for too long and said SDP leaders were agreed that independent schools should be offered the opportunity to integrate with the State system.

Education is so far the one major issue on which leading Social Democrats have divided views. Mrs. Williams has favoured the abolition of the private sector—or, failing that, the withdrawal of all tax and other benefits. But Mr. Roy Jenkins, for one, favours the present freedom of choice

Mrs. Williams renewed her call for the abolition of the "O" level examination in favour of internal examinations, school profiles and pupil assessment at 16.

Technical Page

EDITED BY ARTHUR BENNETT AND ALAN CANE

Mitel hopes to ring up another success

THE APPARENTLY irrepressible Canadian telecommunications company Mitel is at it again. It has just announced the proposed launch of what must rank as two of the smallest private telephone exchanges in the world.

Mitel, which was founded in 1973 by two British-born telecommunications engineers, has seen a meteoric growth and can now claim to sell more telephone exchanges by units than any other company in the world. It is, of course, easily beaten when measured by lines or value. Its first small exchange, the SX200 with up to 180 extensions, was only launched in March 1978.

The two new products it promises are for use in homes or very small offices. The SX2, too small to be called a PABX, is connected to just one exchange line and five extensions, which can be used as an intercom or for paging. It also has several features normally found on large modern PABXs such as speed dialling, automatic redialling of the last number called, an ability to put a caller on "hold" and conferencing.

Mitel says that it will offer additional modules to the system facilities such as controlling lights and locks and "baby monitoring."

The other new product, the SX5, is for two exchange lines and six extensions on which it will be possible to transfer calls between extensions, have three party conferences and paging. The cabinet of the SX5 is 12 in x 14 in and 2¼ in deep.

Last year Mitel surprised a number of other telecommunications manufacturers when it launched its SX-10, another very small PABX. The SX-10, which is not much larger than a briefcase because it uses only one printed circuit board, has a maximum capacity of eight exchange lines and 16 extensions.

Last year Mitel won an order from British Telecom for its SX-20 exchange much to the consternation of traditional suppliers. They have since complained that the Post Office had changed its very high technical specifications to accommodate the very cheap SX-20, which has up to 72 extensions.

GEC and Plessey are supplying British Telecom with an electronic digital exchange called Monarch which has up to 120 extensions. TMC, a subsidiary of Philips, the Dutch electricals giant, and STC, part of ITT, make a smaller electronic exchange, the Herald, for British Telecom.

JASON CRISP

Packages that wrap up a business strategy

BY ALAN CANE

IF YOU bought a new car only to be told some months or even years later that the bits and pieces necessary to enable it to turn left or right, or do more than 30 mph were only then available, you might feel justifiably aggrieved.

But that is the case with computer systems. The necessary "bits and pieces" are the computer programs, the lists of instructions which marshal the electronic circuitry inside the computer and enable it to carry out its allotted tasks.

And many of the tasks a computer could reasonably be expected to handle in business or industry still have no or only rudimentary computer programs written for them.

Modelling

Indeed, the programs (or software) for some of the earliest tasks to which computers were put in business still seems capable of enormous improvement.

Which explains why salesmen for computer software glow with satisfaction as they detail the advantages in their latest general ledger and accounting system, and why the businessman or woman looks puzzled as they wonder why the system did not do it all before, anyway.

The answer is that writing software is difficult, involving a detailed knowledge both of computer systems *and the customer's business*, and expensive. Few software houses will set out to write a major software system, say for inflation accounting, on spec—those that have usually come to grief.

And that is the chief reason for the move to program packages, generalised software for specific applications that can easily be tailored to a client's particular needs. In the U.S., the package is growing at around 65 per cent a year; in Europe it is 70 per cent a year.

In a period of a few weeks this year, the packages launched on the UK market included five in financial modelling, planning and accounting, three in leisure accounting, three in graphics, three in systems, one in traffic control, two in communications and one for a payroll application.

A foreign dealing room in the London office of an international bank—many banking applications remain to be computerised.

Portfolio

In the banking area, Altergo has launched an investment portfolio management and accounting system ORBITS/PORTFOLIO MANAGER.

The banking world is catered for, curiously enough, by a clutch of UK-based software packages—the present leader in foreign exchange dealing and accounting is a package called MIDAS from BIS Software, with Arbat, Hoskyns (Kapeti) and Logica (Trader) in pursuit.

The clue is the recognised excellence of British banking and the fact that the UK recognises it has to work in many currencies. Portfolio manager is a multicurrency system and any of four languages, English, German, French and Italian can be used for correspondence.

The system will handle the purchase and sale of shares and bonds on any major stock exchange, Eurobonds, options, commodities (futures), precious metals and stones, financial futures, certificates of deposits and fiduciaries.

Altergo says that the system can be used on IBM's System/34 and System/370-430 computers.

According to Mr. Bob Ali of Altergo (01-631 1666) the system which costs around £30,000, will provide full accounting and management of investment portfolios not only for banks but also for investment trusts, pension funds and large insurance companies. It also enables users to model the effects of changes in the nature of the portfolio.

Leisure

Portfolio management is a comparatively recent innovation in financial software (again, the question, why doesn't the computer do it anyway?) and there are very few comparable packages on offer; competition for Portfolio Manager comes chiefly from houses like the Computer Management Group (CMG), Comshare, a Canadian-based large computer services company with remarkable strength in financial software, and the conventional bureaux such as DataStream.

The leisure industries are also attracting the attention of the software specialists. ADP Network Services, a large U.S.-based computer bureau based on minicomputers has set up a specialist company entirely to provide a range of computer services to the hotel industry.

ADP has called its hotel service, perhaps predictably, "Innsite." Alan Coby, managing director of the new company, said he would be offering computer systems for front office, control, financial accounting and sales and marketing.

Some 500 hotels in the UK and U.S. already use ADP's bureau services and "Innsite" is an attempt to match the service more closely to the hoteliers' needs.

Another large computer bureau, United Computing, is providing a computerised reservation accounting service to Pontin's, the leisure group.

Again, the on-site hardware technique has been used. Each Pontin's centre has its own computer—a Datapoint terminal with local storage and a printer which is connected through the telephone system to the United Computing central computer in Surrey.

According to United, the system handles the recording and pricing of reservations as well as a host of functions. ADP is on 01-637 1355, United Computing on Epsom 29678.

With the advent of more powerful hardware; these applications will be only the tip of the iceberg. Soon you will be able to drive your car in reverse.

Knowing when to dispense an electronic smokescreen

IN WAR, just as soon as a naval vessel knows that it may soon be struck by an incoming enemy missile it will at the right moment send up a cloud of chaff—small pieces of metallised plastic of such lengths as to act as a decoy to the missile.

The cloud of chaff left behind by the ship acts as a radar reflector (each piece of plastic is a dipole microwave aerial) so that the missile's circuits have to decide whether to target the chaff or the ship.

Knowing when to release the chaff is the problem since after projecting it quickly above the ship using a multi-grenade launcher, it "blooms" out into a cloud but will then disperse under gravity and wind. If the cloud is not in the right place, the decoy attempt will fail.

The initial problem, of knowing when is one under attack, boils down to detecting the locked-on radar signals from the missile—the ship will be constantly radar illuminated.

According to MEL of Croydon (a Philips company) there is a need for a low cost detection system which does not involve the customary wide spectrum working and detailed measurement of incoming signals.

The company has therefore developed MATILDA, a receiving unit which merely gives warning of illumination by any locked on radar. Signals between 7.5 and 18 GHz picked up by a masthead receiver having four quadrant reception are digitised into a 13 bit word which has four bits for pulse amplitude, three for bearing and six for pulse width.

An accumulating memory receives the digits which are counted over a time period: when counts in specific memory cells exceed pre-defined threshold levels the unit indicates that a threat exists and can automatically dispense the chaff.

The finesse with which detection can be achieved remains classified, but the data accumulated says MEL, enables a threat signal—normally defined as having a pulse frequency greater than 500 pulses/sec, constant pulse width and constant bearing—to be detected within one second.

GEOFFREY CHARLISH

Colour TV camera

WITH its latest professional colour television camera, the KY-2700E, the Japanese company JVC claims to have narrowed the technical gap between designs for closed-circuit TV and broadcasting applications. Bell and Howell A-V, which markets JVC professional equipment in the UK, claims that the 2700E is among the most advanced lightweight cameras for field and studio use available at an economical price.

With a 1½-in viewfinder, the camera weighs less than 7 kg for field use. For studio work a 5-in viewfinder can be fitted. The standard lens, with full rear-of-camera control, is a 14:1 servo zoom, though for work where this wide-zooming range is not required a 10:1 servo zoom is available.

Three 2/3-in Saticon quick-start tubes are arranged in the JVC parallel optics system with dichroic mirrors. Automatic beam control is claimed to make for improved image quality by reducing "boom" and "flaring," while the signal-to-noise ratio is 52 dB.

Registration can be adjusted by controls under a hatch on the camera head. The adjustments are made by reference to the viewfinder or to a separate monochrome monitor in the studio, using the correct selection switches to compare the red and blue signals, successively, with green. Contour correction, horizontal as well as vertical, is in two dual-edged lines.

For automatic white balance there is an eight-bit digital memory powered by an internal battery. The camera power supply can thus be saved by switching off between shots. The white balance is memorised and restored when the camera is next switched on. The power requirement is 2A, allowing two hours' operation.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Business courses

Management of Technical Professionals, Manchester. May 11-15. Fee: £360. Details from Post-experience Course Administrator, Manchester Business School, Booth Street West, Manchester M15 6PB.

Managing Inspection within a Quality System, Harrogate. April 13-15. Fee: £190 (plus VAT). Details from the Institute of Quality Assurance, 54 Princes Gate, Exhibition Road, London SW7 2PG.

***Management in an Environment* of Changing Values**, Athens. *May 17-20. Details from European Foundation for Management Development (EFMD)* Conference, c/o Greek Management Association, Jean Moreas 40, Athens 404, Greece

Quality Circles, London. May 6-7. Fee: £345 (plus VAT). Details from AMR International, 6-10 Frederick Close, Stanhope Place, London W2 2HD.

Strategic Research and Development Management, Brussels, *May 11-15. Details from Management Centre Europe, avenue des Arts 4, B-1040 Brussels, Belgium*

Paying People Abroad, London. April 28-30. Fee: £360 (plus VAT). Details from Seminar *Coordinator, ORC(UK)*, 1 Albemarle Street, London W1X *3HF*

Women and Management, Bradford. April 12-15. Fee: £190. Details from University of Bradford Management Centre, Heaton Mount, Keighley Road, Bradford, West Yorkshire, BD9 4JU

Job Evaluation, Uxbridge. April *29-May 1. Details from* The Secretary, Management Programme, Brunel University, Uxbridge, Middlesex, UB8 3PH

Advanced Systems Development, Slough. May 11-22. Fee: £500 (plus VAT). Details from Urwick Management Centre, Baylis House, Stoke Poges Lane, Slough, Berkshire, SL1 3PF

Marketing Strategy—*marketing for the non-marketing director*, London. May 5-6. Fee: £165 (plus VAT) members, £195 (plus VAT) non-members of the *Institute of Directors*. Details from Education Director, Institute of Directors, 116 Pall Mall, London SW1Y 5ED

Learning More About Business, London. April 24-26. Details from London Enterprise Agency, 69 Cannon Street, London EC4N 5AB

New Energy Resources, Southampton. May 19-21. Fee: £180. Details *from Seminar Secretary*. New Energy Resources, *Computational Mechanics* Centre, 125 High Street, Southampton SO1 0AA

A fast mover to whom size is no hindrance

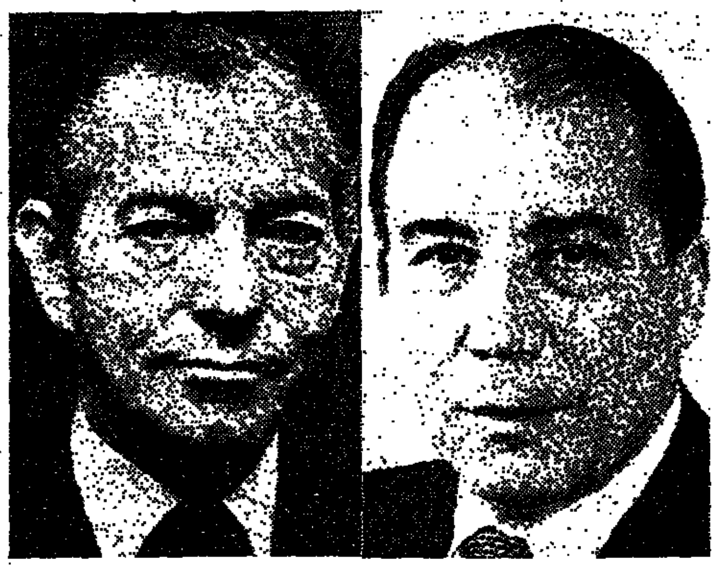
Ian Rodger on how Grand Metropolitan has retained its agility

IT MUST be difficult for a company employing more than 100,000 people and £2bn in capital to react quickly when opportunities for expansion arise.

Yet Grand Metropolitan believes it has no such problem: *indeed it prides itself on still* being able to move as fast as it *did nearly* 11 years ago when—as a group less than one tenth its present size—it launched a bid for Express Dairies within 24 *hours* of learning that the company was available.

Last year, the diversified hotels, drinks, food and leisure group showed it had lost none of its lightness of foot by being the first to pursue a vulnerable Coral Leisure—albeit in vain—and by beating out five other potential candidates to participate in the Occidental North Sea *oil consortium*.

Grand Met also drove a hard *pace in its battle last spring for* the large U.S. tobacco and *drinks group, Liggett. Although* at times that takeover struggle seemed to take on epic proportions, it lasted only six weeks before Grand Met made its clinching $590m offer.



Sir Maxwell Joseph (left) and Stanley Grinstead: one of the main goals of their reorganisation was to "strengthen our ability to take rapid decisions"

Soared

The payoff for Grand Met's *speed of operating is immediately* apparent in the group's *astonishing growth record. Net* capital employed has soared from £137.6m in 1970 to £1.9bn last September. The list of acquisitions includes Express Dairies, Truman and Watney Mann breweries, International Distillers and Vintners, Hawley's Bakeries, Mecca Sportsman and several hotels.

Most have turned out well. The group's return on capital has grown from 13 per cent in *1970-71 to 21 per cent last year.* Already, Liggett has done better than many *analysts* expected at the time of the takeover. In the four months in which its results were consolidated last year, it contributed more than £9m to Grand Met's profit, after financing charges.

The key to Grand Met's agility is that it wants to be so and *works hard at it.* Sir Maxwell Joseph, the chairman, explained *in the last annual report* that one of the main goals of an internal reorganisation last summer was "to preserve and strengthen our ability to take rapid decisions."

The reorganisation he was referring to was in the composition of the group's five operating divisions. While important, that reorganisation was probably not as significant as the decision not to replace Ernest Sharp when he resigned a year ago. Sharp and Stanley Grinstead had been joint managing directors throughout the group's remarkable 16 years of *growth. Sharp's departure*, which was to pursue other business interests, *left* Grinstead in clear control of the day-to-day *running of the company*.

Since then Grand Met has noticeably quickened the pace of its acquisitions, although Grinstead denies that any changes in procedure have *occurred. The latest, announced* last week, is a bold move further *into biotechnology* through a £4.4m stake in Biogen NV.

The group's structure today is simple, consisting of a single managing *director, a deputy* managing director and a newly *appointed finance director* operating from the small head office in London's Hanover Square. Fewer than 40 people, mainly financial, tax and property experts, work with them.

The group's vast operations are *run elsewhere by chief* executives who have wide scope to form and carry out their own strategies, provided they are successful.

These executives each meet once a month with the managing director to review profit and cash flow performance. *This permits* Grinstead *to be* aware of liquidity trends in *case an acquisition opportunity* springs up suddenly.

"We have agreed basic ratios, such as debt to equity, that we are comfortable with, but sometimes things come along that cause us to go outside our limit. That is fine provided we felt we would *return fairly quickly*," says Grinstead.

"The divisions are also encouraged to be entrepreneurial. The only restriction is that any expansion must be in a similar field. We don't encourage a brewery to expand into hotels."

It was the International Distillers subsidiary, for example, that became eager to acquire *U.S. distributors for its expand*ing product lines. The head office agreed, but then added its own entrepreneurial thrust by deciding to go for Liggett as a whole rather than bidding for a couple of its subsidiaries.

In the case of the aborted Coral bid, it was head office that took the initiative following *an approach* from Coral. However, Grand Met's leisure division, *which would have taken* over the management of Coral's *Pontin holiday camps, then* became enthusiastic about the holiday camp business and went out and set up the £10m deal to acquire Warner *Holidays* which was announced two weeks ago.

Procedures for approving take-over bids are informal, except in major cases. "We *don't normally have board meetings*," Grinstead says. "If a *colleague convinces* me about a proposal I would then decide to talk to the chairman or the other board members on an informal basis.

"There is a fair degree of trust and confidence between us and so the need for anything formal doesn't exist. Normally, things can go through very quickly but if any colleague *expressed reservations on a* proposal, that would serve as the necessary check."

This highly decentralised structure also seems to be well suited to Grand Met's operations. The group has concentrated its activities in consumer products and services where an early knowledge of, and fast response to, evolving tastes are vital to success. It was Grand Met, for *example, which turned Watneys away from the disastrous standardised red pubs.*

"Although we have 1,500 managed public houses, there will be one junior director managing a dozen of them and he is responding to the market," Grinstead says.

Complex

He points out that while the group employs more than 100,000 people, there are no more than 1,300 on any one site.

The acquisition of Liggett has caused a slight modification to the Grand Met structure and it remains to be seen how well it will work out.

Liggett has become the sixth division but it has a more complex role than the others. Grand Met intends to make further acquisitions in the U.S. and has decided that all will be made through Liggett, which remains a public company. The idea is that Liggett will become "a microcosm of Grand Metropolitan in the United States," as Grinstead puts it, a collection of companies operating through its own decentralised *management structure*. Already, two U.S. food companies that the group acquired last year have become part of Liggett.

Most, but not all, of the managerial responsibility for Liggett's subsidiaries will remain with the relevant division *in the UK. In the case of* the new food companies, the *milk and food division in the* UK provides the policy and the strategy—and, *in one case*, the UK-developed technology. Liggett will supply central services and monitor profit and cash flow.

Grinstead describes the links from the U.S. operating divisions as a solid line to the relevant UK division and a dotted line to Liggett. He acknowledges the possibility of *clashes but is confident that his* managers will solve any problems that arise.

Liggett's financing is also to be kept separate. "If any Liggett divisions are sold, the proceeds would be kept within an envelope for U.S. activities," he says.

While Grand Met has proved itself adept at acquisitions, it has reached a stage in the UK where many avenues for further growth are blocked because of Government fears of restraint of trade. Grinstead has talked occasionally of floating off or de-merging parts of the group but so far there has been little activity in this direction. Last year, for example, only five small London hotels were sold.

"One of the questions we ask ourselves frequently is whether we have lazy assets," Grinstead says. "Often there is not an easy answer," Some acquisitions, such as the three prestige Paris hotels bought last year, add immediately to assets but will not contribute significantly to income for some time.

"Some parts of the group are not performing satisfactorily," he concedes, "but these are usually the ones that are *difficult to sell*."

Grand Met's divisional performance (year to September 30 1980)

Division	Sales £m	Trading Profit £m	Activities
Hotels and Catering	360.1	27.3	— *87 hotels* — 280 Berni Inns — *industrial catering*
Brewing and Retailing	671.4	65.7	— *breweries* — 1,500 managed pubs — *fast food* — banqueting suites — *wine bars* — soft drinks
Wines and Spirits	474.6	36.2	— production and marketing
Milk and Foods	539.7	32.6	— *dairy products* — food ingredients — *catering foods*
Leisure	381.9	28.7	— *120 social clubs* — 80 night spots — *banqueting suites* — ice rinks — *bowling alleys* — 634 betting shops — casinos
Liggett	154.9 *(4 months)*	22.4 *(4 months)*	— cigarettes/tobacco — wines and spirits — soft drinks — *sporting goods* — pet foods

LOMBARD

Easing America's entry barriers

BY DAVID LASCELLES IN NEW YORK

LITTLE NOTICED amid last week's furore over Mr. Alexander Haig's foreign policy role, a Bill was introduced into a Congressional committee to try to correct one of the more blatant and irritating inequities in the U.S.'s dealings with the rest of the world: entry visas. The measure was attached to the Appropriations Bill for the State Department, so presumably it has the backing of the new Administration, though whatever arguments it marshalled in support of it were drowned by the row that was going on at the time.

So far as I know, the U.S. is the only member of NATO that requires nationals from other member countries to get special permission to disembark on its shores, and has done so for years. By any standards it seems odd to impose these restrictions on travellers from a close military ally (the Russians do it with their allies, but let us say no more). And the fact that the U.S. has been able to get way with it unilaterally for so long is highly irregular, and in any other circumstances would almost certainly have invited retaliation.

Although the State Department recognises that "inequity" exists in its worldwide consular dealings, such arguments will not, I fear, persuade congressmen to enact a measure which might only further aggravate the already serious problems of unemployment and illegal immigration. Predictably — and rightly—their prime concern is to protect their constituents' jobs.

Illusion

Lots of them may even labour under the illusion that the U.S. lays out a big welcome mat to foreigners. As anybody who has ever applied for a U.S. visa knows (and who has not by now?), this is far from the case. It might be instructive for a bunch of congressmen to join this summer's sweating queues at the U.S. Embassy in London, fill in the forms (or fill them out, as they say), answer nosey questions about their finances, produce letters from their employers guaranteeing that they will still have a job when they come back, and then hang around for an hour or two while clerks scour computer records for evidence of misdeeds. This might just prick their consciences next time they waltz through European immigration with scarcely a by-your-leave.

With no political constituency going for it (except possibly the tourist industry lobby), the abolition of visas would have to draw on some philanthropic wellspring in Congress to become law. Is this not a good opportunity for Congress to show that it can occasionally transcend the bounds of narrow political self-interest, and dispel some of those lurking doubts about American isolationism?

The Bill makes it a bit easier for them by proposing only that visa requirements be waived for visitors from what are politely called "low visa fraud areas," essentially the industrialised west.

Neglect

According to the State Department's Bureau of Consular Affairs nearly 8m people applied for U.S. entry visas in the last fiscal year ending in September, and fewer than one in ten were refused, usually on the grounds that they could not prove intention to return home, or lacked the financial resources for a trip to the U.S. But only a tiny fraction (fewer than 3 per cent) of the refusals were in Western Europe: the bulk were in East Europe, the Middle East, Asia and Latin America. This surely confirms—if there was any doubt about it—that the people who sneak into the U.S. and work as waiters and fruit-pickers do not came from West Europe.

It is nice to see that someone in Washington is aware of the problem, even if the State Department spoilt it slightly by listing as a main reason for lifting visas the fact that the processing burden has become too heavy. But the prospect of relief must be rated small. Last year, both the Senate and the House were presented with similar bills, and both died—though from neglect rather than active opposition. Isn't it time a bit of diplomatic pressure was applied?

Video growth needs a stable foundation

FILM AND VIDEO

BY JOHN CHITTOCK

TEN YEARS ago, video was just a gleam in the eyes of a few manufacturers. Five years ago, it was a topic for cynicism—especially from those in the film and broadcasting industries who jibed at the prediction I was then making. Today, it is challenging the sales statistics of television sets.

News of yet more expansion, more deals, more projects, smothers the desks of people like myself who wonder whatever happened to the recession.

Those in the business can feel safe for a time. The latest forecast from Mackintosh Consultants is for worldwide shipments of video cassette recorders to reach 14m units by 1985—a compound annual growth rate of 30 per cent. Last week's American launch of the RCA video disc player, backed by a $20m marketing campaign, comes with a prediction by the company that it will sell 200,000 players and 2m discs under its own label alone in the remainder of 1981.

Staggering

Plenty of other signs of virility are in the air. In this country the recently launched Daily Mirror Video Club has yielded a staggering response according to one senior executive involved, and the current direct marketing campaign on TV by Teledata—under the name Televideo—has spread happiness everywhere.

Response to the first Televideo commercial on March 9 produced 2,200 enquiries, with 350 requests for rental of United Artists films on Intervision cassettes. Some 25 per cent of telephone callers who did not possess a video recorder claimed that they would rent one from Granada through Televideo's scheme, which has a six-week free rental offer built into a one year contract.

A leading music record company, Record Merchandisers, has just announced its own plans to handle videocassettes—with display racks of 75 top selling titles going into Debenhams, Littlewoods, Martin newsagents chains, Savacentre and Top Man fashion stores. There are plenty of other schemes of this kind burgeoning daily, such as Carnaby Video's project for the sale and rental of programmes at petrol filling stations.

On the industrial-user front, too, the picture is equally sanguine, as with the news from the U.S. that over 4,000 Sony optical video disc players have been ordered by Ford in a $10m deal. These machines are compatible with the Philips system but have sophisticated facilities added for institutional users (a point Sony are quick to stress since their consumer commitment to optical discs is unsure). The players will be used by Ford dealers for sales and service training, employing particularly the interactive capabilities of the system.

My sense of intuition, if not my antenna, nonetheless signals a slight feeling of caution. Video is rapidly approaching the crossroads, and its future development and consolidation could be marred—if not damaged—if the euphoria is allowed to inhibit sensible strategic planning.

The potential problems are numerous. First, any new industry without a stable and coherent trading base looks suspiciously like a house of straw—built quickly at harvest time, blown away in the first squall of autumn. From a trading point of view, the only solid base in video in the UK is provided through the TV rental companies. Elsewhere, video is anyone's game—hi-fi shops, supermarkets and chain stores, chemists, book shops, even (as noted earlier) garages and clothing stores.

What indeed, is the video industry? Is it electronics manufacturers, programme makers and TV shops? That would seem a sensible arrangement for the establishment of a stable foundation. But increasingly it looks like a free-for-all in an open street marketplace, where anything from stockings to tins of sardines will be turned over if there is a margin to be enjoyed.

Another hint of problems can be detected in the programme business. Until now, a substantial part of the video industry has found sustenance and nourishment in supplying movies on cassettes. But video is not the same as the cinema, nor indeed the same as television. Like any new culture, it must create ideas and artefacts that belong to the new culture. So far, this is happening in only a few isolated cases.

Yet RCA's video disc chief, Mr. Herb Schlosser, has predicted that feature films distributed on the medium will gradually lose their appeal — being displaced by other kinds of programmes. He points out that in the U.S., only 20-25 new feature films succeed at the box office—hardly enough to sustain enthusiasm in the video business.

One odd snippet of research reported from West Germany underlines the point. It claims that a survey of television viewers reveals that U.S. thrillers and Western are losing popularity, documentaries and historical programmes gaining, and overall television viewing has declined by eight minutes per day per person.

On the other hand, MCA DiscoVision in the U.S. are displaying bullishness about the first "interactive" consumer video disc programme to be released there. This utilises the stop/start/slow motion/instant access/retrieval features of the optical video disc. Titled *How to Watch Pro-Football*, it sold 3,000 copies in the first four weeks—very good figures bearing in mind that there are still few video disc players in U.S. homes.

This is the route which I have often argued Philips should take when it launches the optical disc player in the UK. Some glimmer of experimentation is now promised in their first UK programme releases later this year—such as an interactive disc on jogging, and the BBC's Video Book of Birds (which will also incorporate additional information on teletext for those with receivers able to display it).

With a player more versatile than that of their RCA and JVC rivals, Philips is well-placed to face these changes in video if they follow this programming trend. But for others affected by video, such as the cinema industry and the broadcasters, there are bigger questions to be answered.

A classic example is to be found in the Rank Organisation—with an interest in a broadcast television studio that nobody seems to want (Southern), ownership of Britain's most modern film studios (Pinewood) with little future prospect of filling with cinema productions, a very successful base in the training film market, a new partnership with Phicom in running Europe's biggest video and TV facilities company (from cassette duplication to TV relays by satellite) and a film processing laboratory (servicing a declining industry).

Too important

Yet all of this activity, sensibly directed, could be on a convergence course. It is in businesses such as these—with big financial bases, technical knowledge, product familiarity, production experience — that video should enhance. Can it really be served by supermarkets, entrepreneurs and cottage industries? Video is too important to be left to the speculators. But is it strong enough and integrated enough to survive without them?

Piggott partnership encouraging

RACING

BY DOMINIC WIGAN

A YEAR ago today Grey Mountain ploughed through the mud to account for a large field in Leicester's Holwell Handicap. A good many punters will return to the Midlands course this afternoon expecting a repeat performance.

This time Grey Mountain will have the services of Lester Piggott. Those contemplating a bet on the partnership may be further encouraged because Grey Mountain again lines up for the Holwell Handicap having made the frame on his initial run of the campaign.

He seems sure to go well in these, his favourite, conditions, following a respectable third-place effort at Doncaster. However, I suspect 9st 9lb (6lb more than a year ago) could prove to be a decisive ancher.

Two I prefer are Ski's Double, who met Piggott's mount on the opening day of the season in the Northern Handicap, and the Gerry Blum-trained Grade Well.

Ski's Double, seven lengths ahead of Grey Mountain when receiving 21lb from that rival in the Northern Handicap, has been set to beat Piggott's mount on 5lb—worse terms here. However, in spite of that adjustment and the consideration that Grey Mountain did not get the best of runs at Doncaster he may again have the edge.

Grade Well, the mount of that sound 5lbs-claimer Mark Rimmer who is favourite for the Crown Plus Two apprentice series, is another who revels in the mud.

A Yarmouth specialist, having scored three times there, this Derring-do mare is taken to justify her owner's bold policy of retaining her for the race-course.

Half an hour before the Holwell, Belloc will be short-priced favourite to get the Charles St. George, Ryan Price and Lester Piggott partnership off to a winning start in the Burton Overy Stakes.

Belloc was the three-quarters-of-a-length conqueror of Doc Marten at Lingfield in October, before securing his second success of the campaign through a length-victory over Odin's Raven on this course. He will be extremely hard to beat.

AYR

3.00—Tudor Dream
3.30—Justafancy
4.00—Magneto

LEICESTER

3.15—Belloc**
3.45—Grade Well*
4.45—Fairgreen

SANDOWN

2.30—Major Swallow
3.05—Special Cargo***

TV/Radio

BBC 1

† Indicates programme in black and white

6.40-7.55 am Open University (Ultra high frequency only). 9.35 For Schools, Colleges. 12.42 pm Regional News for England (except London). 12.45 News. 1.00 Pebble Mill at One. 1.45 Pigeon Street. 2.14 For Schools, Colleges. 3.20 Pobol y cwm. 3.53 Regional News for England (except London). 3.55 Play School (as BBC2 11.00 am). 4.20 Winsome Witch. 4.25 Jackanory. 4.40 What's the Idea! 5.05 John Craven's Newsround. 5.10 Children of Fire Mountain.

5.40 News.
5.55 Regional News Magazine and Nationwide.
6.20 Nationwide.
6.45 Rolf Harris Cartoon Time (London and South East).
7.15 Taxi.
7.40 Seapower.
8.10 When the Boat Comes In.
9.00 News.
9.25 Play for Today.
10.45 Omnibus.
11.53 News Headlines.
11.35 Platform One.

All Regions as BBC1 except as follows:

Cymru/Wales—11.38 am-12.03 pm Dechrau Siarad. 5.10-5.40 Bilidowcar. 5.55-6.20 Wales Today. 6.45 Heddiw. 7.10-7.40 Pobol y cwm. 12.05 am News and Weather for Wales.

Scotland—10.38-10.58 am For Schools (Around Scotland). 12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 6.45-7.15 Rolf Harris Cartoon Time. 10.45 Current Account. 11.15 Omnibus. 12.10 am News and Weather for Scotland.

Northern Ireland—10.38-10.58 am For Schools. 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 6.45-7.15 Make Mine Country. 10.45 Gallery. 11.15 Omnibus. 12.05 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds); Look North (Newcastle); Look North West (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 6.45-7.15 East (Norwich)—Focus: Midlands (Birmingham)—Look! Hear!; North (Leeds) — Hometown: North East (Newcastle)—The Four Great Seasons: North West (Manchester)—Towards Tomorrow; South (Southampton)—The Getaways: South West (Plymouth)—The Attic Archives: West (Bristol) — Day Out (Taunton).

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
4.50 pm Open University.
6.55 The Jews of Leeds.
7.25 Mid-Evening News.
7.40 The Hollywood Greats.
8.30 Hooked!
9.00 Pot Black 81.
10.00 One Man and His Dog.
10.40 William Fong (piano) plays Berceuse by Chopin.
10.45 Newsnight.

BBC2 Scotland Only—4.20-4.40 pm BZZZ (for children).

LONDON

9.30 am Schools Programmes. 12.00 Cockleshell Bay. 12.10 pm Pinkins. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon Plus. 2.45 The Mallens. 3.45 Barney Miller. 4.15 Dr. Snuggles. 4.20 Take a Chance. 4.45 Art Reports. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 Looks Familiar.
7.30 Bognor.
8.00 Robin's Nest.
8.30 Max Bygraves.
9.00 Plays for Pleasure.
10.00 News.
10.30 1981 Academy Awards.
12.10 am Close: "Sit Up and Listen" with Lord Rawlinson of Ewell.

All IBA Regions as London except at the following times:

ANGLIA

12.30 pm Gardening Today. 1.20 Anglia News. 3.45 Looks Familiar. 6.00 About Anglia. 7.00 Life Begins at Forty. 12.10 am Pilgrim Ways.

ATV

12.30 pm Gardening Today. 1.20 ATV News. 3.45 Looks Familiar. 5.15 Diff'rent Strokes. 6.00 ATV News. 6.05 Crossroads. 6.30 ATV Today. 7.00 Emmerdale Farm. 8.00 The Grand Final of Miss ATV 1981. 12.10 am ATV News.

BORDER

1.20 pm Border News. 3.45 Looks Familiar. 5.15 Benson. 6.00 Lookaround Tuesday. 7.00 Emmerdale Farm. 12.10 am Border News Summary.

CHANNEL

12.30 pm Gardening Today. 1.20 Channel Lunchtime News, What's on Where and weather. 3.45 Looks Familiar. 6.00 Channel Report. 7.00 Benson. 9.00 Plays for Pleasure. 10.28 Channel Late News. 12.10 am Commentaires et Previsions Meteorologiques.

GRAMPIAN

9.25 am First Thing. 12.30 pm Simply Sewing. 1.20 North News. 3.45 Looks Familiar. 6.00 North Tonight. 7.00 The Entertainers. 12.10 am North Headlines.

GRANADA

1.20 pm Granada Reports. 3.45 Looks Familiar. 5.15 Mork and Mindy. 6.00 Granada Reports. 6.25 This Is Your Right. 7.00 Emmerdale Farm. 12.10 am After All That, This.

HTV

12.30 pm George Hamilton IV. 1.20 HTV News. 3.45 Looks Familiar. 5.15 Day at the Zoo. 5.20 Crossroads. 6.00 Report West. 6.30 Definition. 7.00 Emmerdale Farm. 7.30 Bognor. 10.28 HTV News.

HTV Cymru/Wales—As HTV West except: 10.48-11.03 pm Believe It Or Not. 12.00 Poli a Pili. 12.05-12.10 pm Calimero. 4.15-4.45 Gwestv Gwirion. 6.00 Y Dydd. 6.15-6.30 Report Wales.

SCOTTISH

News Headlines and Road and Weather Report. 3.45 Looks Familiar. 5.15 Pet Subject. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Job Spot. 6.30 What's Your Problem? 7.00 Emmerdale Farm. 12.10 am Late Call.

SOUTHERN

1.20 pm Southern News. 3.45 Looks Familiar. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day by Day. 7.00 Emmerdale Farm.

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 1.20 pm North East News and Lookaround. 3.45 Looks Familiar. 5.15 The Electric Theatre Show. 6.00 North East News. 6.02 Crossroads. 6:25 Northern Life. 7.00 Emmerdale Farm. 10.30 North East News. 12.00 The Family Prayer.

ULSTER

1.20 pm Lunchtime. 3.45 Looks Familiar. 4.13 Ulster News. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 7.00 Emmerdale Farm. 10.29 Ulster Weather. 12.10 am Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 2.30 Gardening Today. 1.20 Westward News Headlines. 2.45 Looks Familiar. 5.15 Emmerdale Farm. 6.00 Westward Diary. 7.00 Benson. 10.31 Westward Late News. 12.10 am Faith For Life. 12.15 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 3.45 Calendar Tuesday. 5.15 A Touch of Fashion. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm.

Radio Wavelengths

1 1053kHz/285m 1089kHz/275m	3 1215kHz/247m & 90-92.5vhf stereo	BBC Radio London: 1458kHz, 206m & 94.9vhf
2 693kHz/433m 909kHz/330m & 88-91vhf stereo	4 200kHz/1500m & 92.95vhf	Capital Radio: 1548kHz, 194m & 95.8vhf
		London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Andy Peebles. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.30 Steve Wright. 4.30 Peter Powell. 7.00 Talkabout with Adrian Love. 8.00 Richard Skinner. 10.00-12.00 John Peel (S).

RADIO 2

5.00 am Bob Kilbey (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 David Hamilton (S). 2.00 pm Ed Stewart's Request Show (S). 4.00 Much More Music, with David Symonds (S). 6.00 John Dunn (S). 8.00 The Leading Ladies (S). 9.00 The Songwriters (S). 10.00 Test Match Special: West Indies v England from St. John's, Antigua. 10.30 Wit's End. 11.00 Brian Matthew with Round Midnight, including 12.00 News. 2.00-5.00 am You And The Night and The Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composer: Delius (S). 10.15 Piano Trios (S). 10.50 Two Recorders: recital (S). 11.15 BBC Welsh Symphony Orchestra (S). 1.00 [illegible] News. 1.05 Six Continents. 1.25 [illegible] Wolf song recital (S). 2.00 Rameau harsichord recital (S). 2.35 Mozart (S). 3.25 Test Match Special: Fourth Test, West Indies v England. 5.35 Mainly For Pleasure (S) (joining vhf). 7.00 The Poetry of John Donne. 7.30 Benno Moiseiwitsch plays Delius. 8.00 Modest Mussorgsky from the Royal Festival Hall, London, part 1 (S). 8.35 Lethbridge. 8.55 Mussorgsky, part 2 (S). 9.55 Hammerman (S). 11.00 News. 11.05 Elisabeth Grummer sings Brahms (S). 11.15-11.30 Test Match Special (review of the day's play).

VHF with Medium Wave except as follows: 5.55-6.55 am Open University. 3.25 pm Piano Trios (S). 4.25 Jazz Today (S). 4.55 News. 5.00-5.35 Mainly For Pleasure (S) (Medium Wave joins at 5.35). 11.15-12.55 am Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News Headlines, 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.02 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Double Act. 11.35 Wildlife. 12.00 News. 12.02 pm You And Yours. 12.29 Down Your Way. 12.55 Weather, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 The House of Mirth (S). 4.00 Science Through the Looking Glass. 4.15 The Death of April Merrin. 4.45 Story Time. 5.00 PM: News Magazine. 5.50 Shipping Forecast. 5.55 Weather. 6.00 News. 6.30 Brain of Britain 1981 (S). 7.00 News. 7.05 The Archers. 7.20 Medicine Now. 7.50 The Countryside in Early Spring. 8.35 Love's Old Sweet Song. 9.05 In Touch. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Cliché (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.03 Morning Star. 10.03 The Robbie Vincent Telephone Programme. 12.30 pm London News Desk. 12.40 The Tony Fish Total Music Show. 2.30 Tony Blackburn. 5.00 News. 5.15 Music on the Move. 6.33 Openings. 7.03 Black Londoners. 8.00 As Radio 1. 10.00 Question Time from the House of Commons. 11.00-5.00 am Join Radio 2.

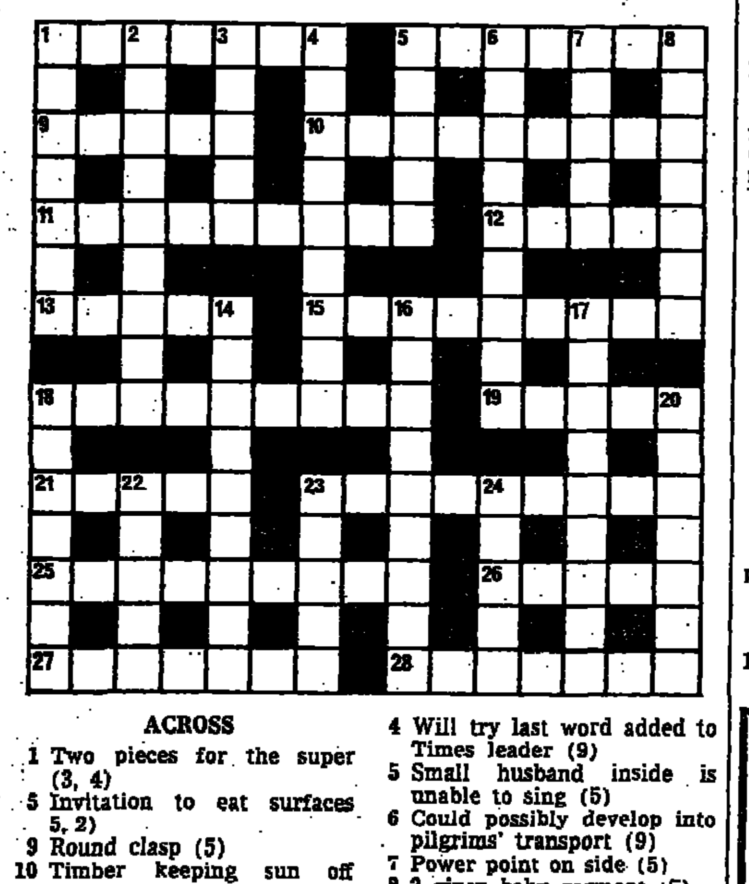
London Broadcasting

6.00 am AM: Douglas Moffitt and Alan Clark. 10.00 Brian Hayes. 12.00 LBC Reports. 7.00 pm London Life. 9.00 Mike Dickin's Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 4.00 LBC Special. 5.00 Morning Music.

Capital Radio

6.30 am John Sach's Breakfast Show. 10.00 Michael Aspel. 12.30 pm Nicky Horne. 1.00 First Report. 1.10 Nicky Horne (continued). 3.00 Roger Scott. 7.00 London Tonight. 9.00 Peter Young (rock music). 11.00 Tony Myatt's Late Show. 2.00 am Duncan Johnson's Night Flight.

F.T. CROSSWORD PUZZLE No. 4,533



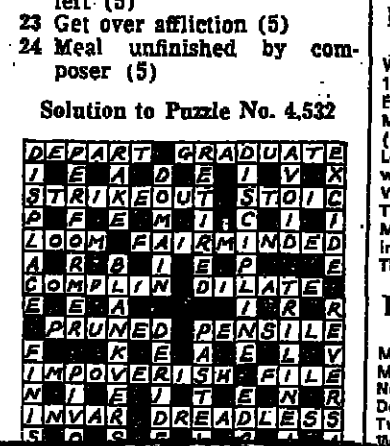
ACROSS

1 Two pieces for the super (3, 4)
5 Invitation to eat surfaces (5, 2)
9 Round clasp (5)
10 Timber keeping sun off dubious business (5, 4)
11 Don't get up before minister has watch concealed (3, 2, 4)
12 Illuminated motorway within permitted maximum (5)
13 Man of the match to prepare for stardom (5)
15 Women tend somehow to have a policy (9)
18 Try to persuade boss to make fastening (5, 4)
19 Puzzle soldiers on coach (5)
21 Cast worth another order (5)
23 Prepares to fire base with grass (9)
25 Hothead finished drink in Dover terminal (9)
26 One entering game meets affliction (5)
27 Screen about repeated parties (7)
28 Chinatown in Germany? (7)

DOWN

1 Second account of journey in arrears (7)
2 Part of Hamlet (5, 4)
3 He's an eccentric in grey (5)
4 Will try last word added to Times leader (9)
5 Small husband inside is unable to sing (5)
6 Could possibly develop into pilgrims' transport (9)
7 Power point on side (5)
8 3 given baby garment (7)
14 Fail to see creation of beauty queen (4, 5)
16 Deceit dad may have set apart (9)
17 Mixed up note turns up cooked (9)
18 Casting person into jug (7)
20 Write drop off (3, 4)
22 Wanderer leaves river on left (5)
23 Get over affliction (5)
24 Meal unfinished by composer (5)

Solution to Puzzle No. 4,532



هكذامن الأمل

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. S. 836 3161. CC. 240 5258. Last Week LONDON FESTIVAL BALLET. Evgs. 7.30, Sat. 4.00 & 8.00. GISELLE. [illegible]

THEATRES

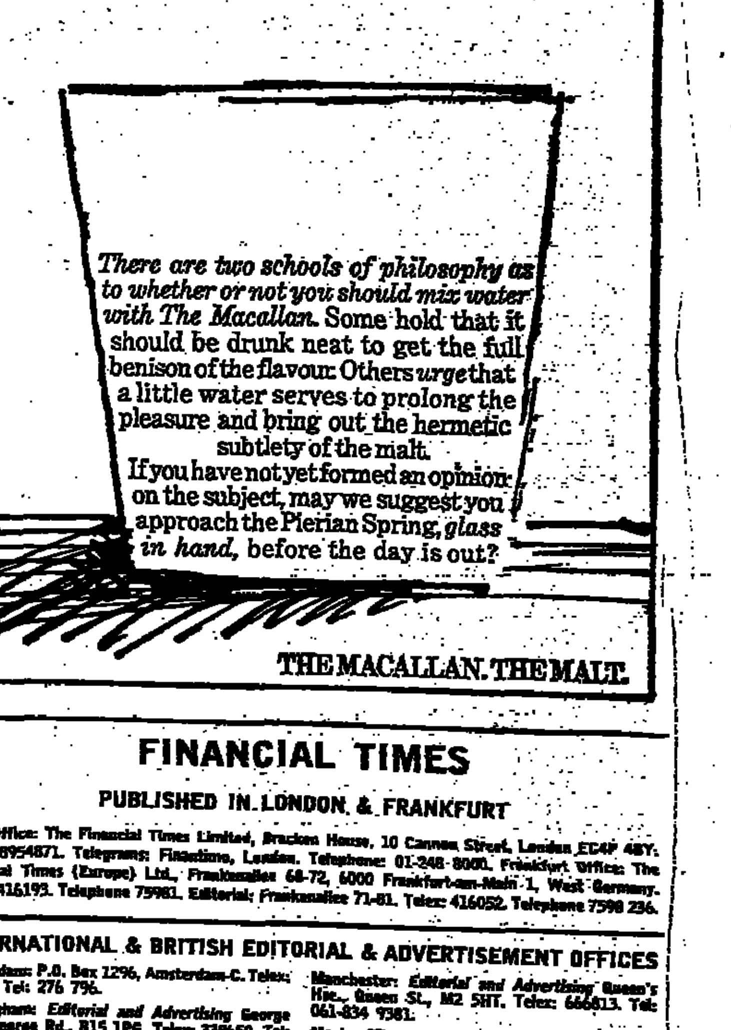
LONDON PALLADIUM. 437 7373. OPENING JUNE 11. Reduced price previews from May 29. MICHAEL [illegible]

THEATRES

VAUDEVILLE. S. CC. 01-836 9988. EVENINGS 7.45. Matinees Wed. 2.45. Sats. 4.00. DONALD SINDEN. Dinah [illegible]

[illegible]

CINEMAS



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Paris opera

Le Grand Macabre

by RONALD CRICHTON

The incidents at the première last Monday of the Paris Opéra production of Ligeti's *Le Grand Macabre*, insignificant as a news item, was of some importance in relation to the work in particular and to the general question of opera production today. The atmosphere, in a house where cordiality should not be taken for granted, was quiet and agreeably expectant. It is true that at one point a small unidentified object flew through the air over the heads of the stalls and landed with a damp thud in the orchestra pit—judging from the expression on the faces of the percussion section, it was an egg, but a solitary one.

At one point in the third of the opera's four scenes, a gentleman in the raised part of the stalls where the nobs sit demanded, in fluent French, that a certain loud speaker be turned off (there had been sounds of amplification unsuitable to this fantastically precise and lucid score, but one by now expects such mechanical defects. The conductor Elgar Howarth, who splendidly kept his British cool, supported the request, members of the audience joined in, the interuptor identified himself as the composer and, not before someone presumably unconvinced of his identity had suggested he might go jump in the Seine, left the theatre.

The whole thing began and ended so suddenly and went so pat that cynics and innocents alike might have been forgiven for believing it to be part of the production. But it appears that the loud speaker in question required to amplify the voices of two characters placed rather far back on the large stage, had continually malfunctioned during rehearsals, that at the final rehearsal composer and conductor had been assured that if it misbehaved during the performance, it would be switched off. The composer, it is said, made it clear that if there was a recurrence of the trouble, he would protest publicly. There was and he did.

Ligeti's opera, described here on the occasion of the Stockholm world premiere and of a subsequent production at the Hamburgh State Opera, is based on the Flemish Michel de Ghelderode's play *La Balade* (sic) *du Grand Macabre*, a burlesque dance-of-death about a prophecy of the end of the world—but nothing happens, and after the anti-climax the world joggles boozily and bawdily on much as before. Ligeti and Michael Meschke made a free adaptation of Ghelderode. For the Paris staging translator Michel Vittoz and producer Daniel Mesguich have adapted yet further. From what I know of the original play and libretto the loss is not catastrophic, yet *Le Grand Macabre* as we saw it at the Opéra is not dramaturgically speaking what Ligeti conceived.

Gone is the Breughel-land in which this *danse macabre* was set. Instead the Parisian designer Bernard Daydé has built a most striking, brilliantly realised fantasy of three crumbling proscenium arches, each bearing a resemblance to the Opéra itself. Mesguich peoples this dead landscape with members of his own "Théâtre-Ecole du miroir." Ligeti's and Meschke's characters are there and they sing the difficult but not unvocal music with a will, but they wander rather forlornly through an action now mostly slanted to a parable of the death not of the world but of opera, and by implication of the Opéra itself.

Familiar characters from the operatic repertory (including Lulu, I was glad to notice) wander about the stage and are slaughtered on and off. At the very end, after the proscenium arches have begun to totter, a match is ceremoniously put to a model of the Palais Garnier and the desire of Pierre Boulez to "blow up the opera houses" is symbolically realised. One can't help wondering whether a producer has the right so to alter a work when the main part of it is a musical score and moreover one of such rare quality and hair-trigger complexity as Ligeti's.

What is undeniable is that within Daydé's spectacular framework (something unlikely to be conceived or achieved in our opera houses at the present time) Mesguich has brilliantly co-ordinated his milling mummers, duplicating and triplicating the original characters (Venus descends unclothed from the skies attended by five or six naked beauties, the Marx Brothers pop in and out), that Howarth performs an equally staunch feat of musical co-ordination (the Opéra orchestra does not always respond so willingly), and that most of the singing is of a quality to match the staging and the orchestral contribution.

Nekrotzar, the death-figure, *Le Grand Macabre* himself, is the baritone Peter Gottlieb, well-remembered for stylish performances at Glyndebourne but here displaying unsuspected vocal grandeur. As the coloratura Chief of the Gepopo or Secret Police, Britt-Marie Aruhn is appropriately and steelily dazzling, though in Mesguich's treatment the role makes little dramatic sense. Roderick Keating, a useful high tenor, sings the permanently drunken Piet, Kevin Smith's dotty Prince Gogo is totally unlike the usual counter tenor.

A pleasant feature of the evening was the contribution made by various singers from the Opéra whose work is often taken for granted—among them Danielle Chlostawa as Venus, Eliane Lublin and Renée Auphan as the smuttily-named lovers Clitoria and Spermando, most striking of all, Hélia T'Hezan as Mescalina, the termagant wife to the senile astrologer Astradamors.

Musee d'art Moderne, Paris

Modigliani

by WILLIAM PACKER

In every age there will be artists, even great artists, who are thrown, as it were, and whose actual achievement runs away from them, like a riderless horse in a steeplechase, to become confused itself, and to interfere with the true running of the race. Form in such circumstances is hard to measure, and reasonable reputation is easily stretched into myth. We for our part are all too easily distracted, forgetting the horse, in all its quality and potential, as we look back to the fallen jockey in his misery.

In retrospect the doomed and tragic artist is a most attractive and sympathetic figure, like the jockey, taking on what we might not dare ourselves and paying the necessary price. In so doing he confirms our most romantic expectations and prejudices, for which service we are quite happy to take the work, rather like the horse, largely on trust. Keats dead of consumption at 26, Mozart in his pauper's grave, Rembrandt bankrupt in his maturity, are just such haunted figures: and for every ten who understand something of Van Gogh's astonishing achievement, there must be hundreds who know of his self-mutilation and suicide.

Amadeo Modigliani is the archetype in our own century, and his story is familiar enough: from Florence to Venice then, in 1906, on to Paris to become a notable figure in an heroic period; his natural ill health confirmed in bohemian squalor and equally bohemian excess: his death in the Hôpital de la Charité early in 1920, at the age of 35, and the suicide the following day of Jeanne Hébuterne, who indeed died for love. Since which time his reputation has remained secure, certainly and even celebrated, yet curiously ambivalent, his work frequently exhibited but rarely with any real claim to critical definition, known and enjoyed by a wide public but largely through the reproduction of a comparatively small number of major, conspicuously decorative works.

Such critical equivocation is perfectly understandable, to be explained in part by historical accident, in part by the nature of the work itself: for while appreciation may comfortably enjoy the work for what it is, as it is, criticism and scholarship do rather like to put it in its place, to follow threads, to trace influences, to try to gauge relative importance and effect.

It is clear that whatever its virtues and qualities, which are very many, Modigliani's *oeuvre* in the end leads nowhere. The influences upon him are manifest—Lautrec, Cézanne, Picasso, Brancusi, quite apart from the more profound effects of his Italian renaissance inheritance: they work upon him, he assimilates them and profits by them, and achieves a true and personal synthesis (for he is never less than himself), and then he dies.

The importance, the real value of the admirable exhibition now to be seen at the Musée d'Art Modern de la Ville de Paris (that it to say quite apart from the very real pleasure it gives) centres upon this very point. It is an ambitious and comprehensive exercise, and makes an honourable attempt at defining, containing the life's work of one man. It gives us as much of that work as possible, and clearly suggests that the work itself is enough. There are limitations, of course, for we are given nothing of Modigliani's earliest years, and very little of his first years in Paris. Indeed we move very quickly to the years of his preoccupation with sculpture, 1911 to 1913, and thereafter his return to painting, with the weight of the show falling emphatically upon the last four years of his life. But the scope of his achievement is clearly demonstrated, and most particularly the energy and fertility of his commitment to his work, the pace of which would seem to increase, its quality unimpaired, as the end approaches. Such things could not have been done without a steady hand, and a clear head.

The sculpture and the graphic work which relates to it sit quite distinct within the wider context, for though they remain in large measure consistent with the rest in their formal mannerism, with its cursive simplicity and exaggeration, they have none of the directness of association that marks all the painting. For whereas the painting hangs upon particular experience and observation, with all subjects confirmed, far beyond mere caricature, in their identities, the sculpture, and the studies too, are always idealised in imagery, conceptual and essentially self conscious: voluptuous caryatides, half Indian, half cubist, and the abstracted, enigmatic stare of the so gracefully adapted primitive mask.

For a short while after the sculptural period, Modigliani continued to make conscious stylistic experiments, most particularly with a kind of flattened and much simplified cubism; but whatever the graphic distortion, each peculiar human presence is fixed, and comes through still to us, recognisable and acceptable. And as we come ourselves to take for granted all the Modigliani tricks and devices, so they come to matter less and less, means giving way to ends. We are convinced by Modigliani's humane and sensual vision, so variously yet consistently fixed alike upon friends, children, models, wife; and we grow to share it unselfconsciously.

His manner is easy enough to guy, and forgery inevitable. It was a good idea here to show one or two duds, and to give them a comparative analysis, to show them up against the real thing. The forgeries themselves are unimportant, flat and insipid, but they do succeed in pointing Modigliani's quality as a true artist, the richness of the surface, the sensuality of his touch, the feathery paint and the gentle, infinitely subtle modulation of colour and tone, space and form, together belying the apparent ease and simplicity of it all. Simples[t,] most striking of all, per[haps,] and most deceptive, are [the] *grandes horizontales*, [the] several great nudes of his [last] few years, that are here [hung] at intervals to punctuate [the] final sweep of the exhibiti[on.]

But though they are wo[nder]ful things, and the clima[x of] the show, they are less touc[hing] and in that real imagin[ative] sense therefore a shade [less] potent, than their more m[odest] immediate fellows, the s[eated] and standing nudes tha[t hang] with them. To take this further, we might say in that Modigliani's most prof[ound] gift was the ability to [...] even now by a palpable h[uman] presence, desired or love[d] maybe.

The experience is to be t[rans]mitted as well by the [most] chaste as by the most pr[ovocative] image; and though the Blond of 1916, shall we sa[y, is] a most open and glo[rious] example, it has so many qu[ite] less obvious equals scat[tered] throughout the show, and [...] as much among the unfam[iliar] works that are one of its [...] treats. La Femme a la Cr[avate] Noire of 1917 my own partic[ular] favourite. Portrait or nude, [male] or female, young or old, [...] affection like the sensualit[y] inherent, something which [we] may still feel for ourselves.

The Modigliani retrospe[ctive] exhibition continues at [the] Musee d'Art Moderne [until] June 28.

Nude reclining on her left side, Modigliani, 1917

Elizabeth Hall

Bishop-Kovacevich

Stephen Bishop-Kovacevich's recital on Sunday afternoon was above all a demonstration of the possibilities of *mezza voce* playing. The sheer digital might—the explosions of virtuosity, the terse angry passion—that underlies and informs his exploitation of this style was already evidenced in the first two movements of the op 109 sonata of Beethoven with which he began the programme. But it was the ringing limpidity of the variations theme and the tenderness and restraint that marked his subsequent controlling of that movement's sublime *Diabelli*-like progress that were really outstanding qualities. Many intimate facets of the music were newly lit.

In Schubert's *Drei Klavierstücke* D 946 an enormous wealth of expression was discovered within narrow limits of softness and serenity, always of course by steely fingers and a steely, though often witty, intelligence. Again there were irruptions of dazzling bravura. The same composer's *Twelve Ländler* D 790 on the other hand were uninterrupted loveliness. If the second of the *Klavierstücke* had seemed a little over-expansive, here was Schubertian brevity to be treasured. I have rarely heard the piano shimmer as effortlessly as Bishop achieved here.

The first movement of Beethoven's Op. 111 sonata could have been offered in deliberate dismissal of what had so far prevailed—an interpretation of more incisive force, tautened as in this case by the odd but not necessarily inappropriate omission of the exposition repeat, would hardly be bearable. The more moving therefore when marvellous *semplice e cantabile* playing returned in the Arietta, whose huge, luminous unfolding had been placed by Bishop in maximum contrast to its clipped predecessor, though certainly its densest agglomerations of notes lacked for no granitic strength in the wielding.

PAUL DRIVER

ICA

Two concerts

by DOMINIC GILL

Adrian Jack's MusICA series offered two concerts for the price of one on Sunday afternoon and evening—a pair of contrasting programmes of music for piano and/or voice composed during the past 20 years.

The first was devoted to the work of the Austrian composer Gerhard Rühm, and opened the door to a powerful draught from some of the lesser windows of the 1950s. The greater part of it was slick, sick rebellious, half-baked Fifties Dada—little fragments of "sound poetry" *(mmm, ssshh, guggmp)*, a very long and mind-bendingly tedious essay in counting numbers, and two or three funnies (a single phrase from Beethoven's Pathétique sonata repeated chromatically the length of the keyboard). It was not perfectly clear, even by the end of the programme, whether Mr. Rühm is possessed of any perceptible musical talents at all. Even his cabaret numbers, which he calls with sickly pretension "Chansons," offered only the most rudimentary indications of competence—a couple of the best were nearly amusing, but a million miles all the same from the crisp, subtle songs in similar vein by, for example, Rühm's compatriot Heinz-Klaus Gruber. The performances, by Gerald Barry, were all of them excellent. I suppose we should be grateful to the ICA for reminding us; but it was a relief to close the door.

Gerald Barry (composer as well as performer) was himself the subject of the first half of the second concert, a piano recital played by the young German pianist Herbert Henck. Barry's *Au Milieu* dealt obsessively, unconsolably with a single theme of ostinato chains, short and long, of octaves, thirds, sixths, triads, single, double and bunched, at its weightiest achieving a sort of Messiaenish fervour, cut with a nicely Kagelish edge of self-parody. *Sur lespointes* (another ballet reference of clearer point) proposed a contrast between little *staccatissimo* chords picked out with the tips of the fingers and fully-pedalled legato sequences, and then combined the two; and built again to a big, slow-moving climax that burst, in mid-flight, into pure bombast: an odd, intriguing piece, at 19 minutes overlong, that had hidden somewhere inside it, I suspect, real heart.

Not so Wolfgang Rihm's *Klavierstück No. 7*, a nasty casebook of neurotic keyboard tics that was eventually led quietly away for sedation. Kevin Volan's *Monkey Music* for pianist and reader was neither nervous nor inventive, but only prodigiously boring. If such an interminable progression of second-hand pastiche and psuedo-virtuosity is really to be found on any degree of the path to Buddahood, then my name is Tripitaka, and Monkey better come home fast.

BOOK REVIEWS

Huston with salt

by NIGEL ANDREWS

An Open Book by John Huston. Macmillan, £8.95, 373 pages

The Irish vowels, the mischievous eyes and the long, bearded-prophet face make John Huston one of the most saleable "personality"-directors in cinema today. If Huston had been born 174 years ago rather than 74, he would surely have been an eccentric explorer or globe-trotting writer—one of those callings that require an omnivorous and rangy curiosity and a glint of rootless mischief in the eyes.

That the cinema is almost incidental to his roguish raconteur charm comes across in these his own memoirs, in which our hero rises to Hollywood fame and fortune from being the humble son of a not-so-humble actor. (Walter Huston was almost as bright a histrionic light in his heyday as Eugene O'Neill's papa, another characterful Irish-American, was in his). Celebrity swooped upon Huston — and deservedly—with his first film *The Maltese Falcon*, and 40 years later he is still with us turning out films and writing his autobiography.

An Open Book is, of course, about as "open" as the twinkle-eyed revelations of a professional tall-story teller. But with Huston the whiff of roguish embroidery has—and has always had—a real charm. Most of the stories in this book should come with free sachets of salt to take a pinch from. (Did he really break Errol Flynn's ribs in a "friendly" boxing fight at the bottom of David O. Selznick's garden? Was he really the soul of patience and courtesy in his, by all other people's accounts, notorious treatment of Montgomery Clift while directing *Freud*). But Huston is Moviedom's licensed leg-puller and yarn-spinner, and it is to that spirit of the anarchic adventurer that we owe films like *The Treasure of the Sierre Madre*, *The African Queen* and *Wise Blood*. The book is entertaining, deftly-spun, and highly readable, with a spread of photographs perfectly chosen to show that some human icons never change. Even when J. H. was a tiny tot the swags under the eyes, the wide Celtic grin and the long, Easter Island face were there. So undoubtedly, though hidden away and yet gestating, was the talent.

Down for the Count

by KEVIN HENRIQUES

The World of Count Basie
by Stanley Dance. Sidgwick and Jackson. £8.95. 399 pages

Undoubtedly the two most senior, most widely respected active jazz musicians today are Earl "Fatha" Hines and William "Count" Basie. Both pianists and past their 75th birthdays, Hines and Basie have each been commemorated by the doyen of jazz writers Stanley Dance in his *The World of . . .* series.

Dance's exploration of Hines's world was noted on these pages last July. The excursion into Bill Basie's domain follows similar lines except that in his case there is markedly less from the subject himself and this a two-part chapter which, like some of the others, has been published previously.

As with Hines the book takes the form of interviews with musicians and singers associated with the Count since the birth of his band up to the present, though the contributions from contemporary sidemen are meagre and, most curious of all, there is nothing from his longest-serving colleague, guitarist Freddie Green, a stalwart since 1937. However, the interviews with veterans such as [...] Edison, Jo Jones and Earle Warren are not only illuminating and perceptive in their recollection of the band's early days but, equally important, faithfully reflect the general social and musical atmosphere of the 1930s.

The overall picture would have been more satisfactorily rounded-off if some of the present Basie musicians had described what it was like to work in a legendary band with a legendary but ageing leader who, until illness struck him in recent years, had steadfastly maintained an exhausting programme of one-night stands.

Much of the post-1950s story of Basie's world is only briefly sketched. There is nothing, for instance, about the effect dynamic drummer Sonny Payne had on the band—he's mentioned only four times. Nothing either about the decisive influence arrangers and composers such as Neal Hefti, Ernie Wilkins, Sammy Nestico, Quincy Jones and Chico O'Farrill had on turning the band into a well-greased swing machine.

Such points are surely pertinent in an evaluation of the "world" of Count Basie. For, as the author is quick and circumspect enough to make clear at the beginning, his book "is not meant to stand as a biography of Count Basie." This [...] enables him to justify spreading his compass to cover the music scene of the south-west area of the United States—hence the interview with pianist bandleader Jay McShann and others not directly associated with Basie.

Indisputably though, almost all the interviews are compelling, even when bassist Gene Ramey concentrates more on McShann or when McShann, unsurprisingly, reminisces about bop altoist Charlie Parker whose career really began in McShann's band.

Along the way there are some image-cracking comments on the always placid-looking Basie such as trombonist Dickie Wells's: "Basie's pretty easy-going, but he still lets you know who's boss" or altoist Earle Warren's: "(Basie's) always been a gentleman, but he can blow up like anybody else." Also there are quotes from former colleagues of the two great tenor-saxophonists, Lester Young and Herschel Evans, who set the record straight about the alleged bad feeling between the two.

It is as a record of those days when such legends were around that Stanley Dance's book is chiefly valuable. Meanwhile a fuller, more up-to-date account of Bill Basie and his band is awaited by his devoted fol[lowers].

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Tuesday March 31 1981

The academic protesters

THE NEWS that 364 academic economists have signed a statement condemning Government economic policy is hardly going to change that policy, and is unlikely even to have any very dramatic effect on public opinion. The profession of economics is in low standing at present. It is hardly news that some academics are opposed to the present approach, since they broadcast their view regularly in the media. All the same, a statement from a majority of *the retired chief advisers of the* Government that there is no evidence or theory to support present policies does deserve some response, and offers a chance to restate what the problem really is.

The Cambridge round-robin will unfortunately only obscure the issues. In an effort, perhaps, to appeal to the maximum number of potential critics, they have mis-stated Government policy, and attached the label of "monetarism" to the resultant Aunt Sally. In the end it is quite unclear whether the critics mean to attack the 1981 Budget (which seems to have been the event which provoked the protest), or the whole stress on monetary management which has formed the policies of both Labour and Conservative governments for more than five years.

Forgotten

If the protest is meant to be directed against the Budget in particular, it is quite simply wrong. The Government does not believe "that by deflating demand they will bring inflation under permanent control," because, as Ministers have repeatedly explained, they do not regard the 1981 Budget as deflationary.

On the contrary, the Budget amounted to admission that any given stance of monetary policy, which limits the total growth of money and credit in the economy, is a limitation on government as well as private borrowing. Beyond this limit "reflation" simply means crowding private borrowers out of the market, and so worsening the recession. We have been attacking this inconsistency since the Healey Budget of 1978, and have therefore welcomed the present change of balance; the academic critics appear to have forgotten what the argument is about.

Of course this does not mean that present policies are perfect, or even that they are right at all. Those who believe in the importance of controlling the money supply may criticise the Government for the vagueness *which has overtaken monetary* policy at present. Since there is now no agreed measure of the actual stance of monetary policy, the supposed trade-off between higher taxes and lower interest rates is reduced to political guesswork.

Structural

More radically, critics can assert that the money supply is not a suitable policy target at all. Retired advisers may well feel that things went better in the days when it was the commitment to a fixed exchange rate rather than to an arbitrary *and arguably defined rate of* monetary growth which limited the freedom of action of governments. However, they should at least acknowledge that the elevation of monetary policy to a central constraint is not some quirk of the present Government; it was introduced in this country by Mr. Healey, and somewhat similar constraints have been adopted in most other countries. The differences are technical rather than philosophical.

It is when they proclaim that "there are alternative policies" that the academics are most likely to command agreement *both in the learned and in the* practical world. A policy to control the qauntity of money is not the only way available to tackle general inflation; and an attack on general inflation is not a self-sufficient economic policy. It is the second of these propositions which is the most important.

The British economy suffers acute structural problems—notably the existence of excessive monopoly powers in many markets. In the exposed parts of the economy, the intense competitive pressure caused by monetary stabilisation has caused labour shedding on a large scale—a major problem of structural unemployment. The contrast with the fortunes of those who can deploy market power, and can protect both their jobs and excessive real incomes at the expense of the rest of us, is more than ever offensive. It is in such areas that new policies are most urgently needed.

The IMF takes a step forward

THE CONCLUSION of an agreement in principle between Saudi Arabia and the International Monetary Fund, under which the Saudis will lend about $10bn to the Fund over a two-year period, is obviously an important and welcome step forward. Since the 1979 oil crisis, the international monetary scene has been characterised by very large structural balance of payments surpluses *on the part of a handful of oil* producing countries, mirrored by corresponding structural deficits on the part of oil-importing countries, developed and developing. The problem has been that, while most industrialised countries have found it comparatively easy to finance their deficits by borrowing from the international capital markets, many developing countries are finding it increasingly difficult to add to, or even service, their foreign debt.

Commitments

As a result, developing countries have been driven increasingly to seek help from the International Monetary Fund, to the point where their prospective financing needs would be likely far to outrun the Fund's normal resources, despite the recent 50 per cent increase in member states' quotas, from about SDR 40bn to almost SDR 60bn ($73bn). About a fortnight ago the Fund announced that it would need to find an extra $7-8bn this year if it was to be able to meet its expected commitments, and the conclusion of the negotiations with Saudi Arabia means that the major part of the require*ment will be met. Negotiations* are still under way with Kuwait and the United Arab Emirates, while the Fund is also seeking finance from the major industrialised nations, either direct or through the intermediary of the Bank for International Settlements.

As a last resort, the Fund would be prepared to borrow in the open international financial markets, but its first preference has been for direct negotiations with governments. Yet even the Saudi deal contains a premonitory hint of potential Fund presence in the international capital markets, since its loans to the IMF could be discounted on the open market.

Political price

Ostensibly, the Saudi-Fund negotiations were exclusively confined to the financial aspects of the new arrangement. Yet inevitably there may well be a political price to be paid for Saudi co-operation in helping to *smooth the process of recycling* their surpluses to the neediest countries. In the first place, the two-year loan agreement has been accompanied by a doubling of the Saudi quota in the Fund, and makes Saudi Arabia the sixth largest quota-holder in the Fund with an automatic right to a permanent seat on the IMF executive board.

While the Saudi voting share, of about 3½ per cent, remains comparatively small compared, say, with the U.S., which has just over 20 per cent, the increase is bound to enhance Saudi leverage in demanding forward movement in the Arab-Israeli stalemate. Last year this demand took the form of pressure for observer status for the Palestine Liberation Organisation at the annual meeting of the IMF and World Bank; so far this year the Reagan team has used the imminence of Israeli elections as a pretext for taking no new initiative on the Arab-Israeli dispute, but by the time the Fund and Bank meetings are held, these elections will be well out of the way.

Spotlight

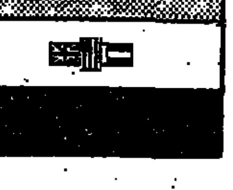
In short, the Saudi deal focuses a harsh spotlight on the foreign as well as on the aid policy of the Reagan administration. Its antipathy for multilateral aid is by now well known, but it cannot have its cake and eat it. If Washington endorses the policy of chan*nelling Saudi surplus funds into* the multilateral bodies, it must accept that this process will strengthen Saudi Arabia's hand in pursuing *its* foreign policy objectives — and the recent round of quota increases is likely to be followed by another one in the next year or so.

CONTACT WITH SOUTH AFRICA

Russia's discreet gold chain

By David Marsh in London and Bernard Simon in Johannesburg

South Africa and the Soviet Union mine about 75 per cent of the world's gold. Discreet contacts exist over sales of minerals to western markets. But evidence is growing that Moscow's links with a country officially reviled by the Kremlin are increasing and there are signs that the two could eventually extend co-operation to exchanges of mining expertise and metals technology.



RISING East-West tension over Afghanistan and Poland has given the Kremlin a glittering windfall by helping push up the price of gold and other precious metals which Russia sells to the West.

But as the stakes climb both on the bullion market and in *the international political arena*, Moscow's links with the West over the mining and trading of the world's most capitalist metal are becoming ever more intricate.

Evidence is growing of discreet contacts and an increasing common interest with a *country officially reviled by the* Kremlin — South Africa, the world's number one gold producer.

The two countries, which mine about 75 per cent of the world's gold and also dominate production of diamonds and strategically-important metals like chrome and platinum, already maintain links over sales of minerals to western markets.

At the moment, co-ordination amounts to little more than the passing of information about sales policies, and the two sides still appear deeply suspicious of each other.

But it is possible that the two countries could eventually extend co-operation to exchanges of mining expertise and metals technology.

This is an area where the Russians still have a lot to learn from the West in their efforts to develop the enormous mineral wealth of Siberia and central *Asia—and where collaboration* with the U.S. and possibly Europe, too, many become more difficult if detente flags.

Significantly, it is also a sector where the Russians themselves have developed technological expertise of interest to the South Africans.

The two countries maintain no formal diplomatic or trade ties, so direct government-to-government contacts are impossible. But through various channels Russia has forged contacts with the Anglo American Corporation, the giant South African mining empire which has trading and mining connec*tions throughout the world.*

Companies in the Anglo American group account for one quarter of gold output of the non-Communist world, while its sister company, De Beers Consolidated Mines, dominates international diamond production.

Mr. Harry Oppenheimer, the chairman of Anglo American and De Beers, has the advantageous credentials, from the Russian point of view, of being an implacable opponent of apartheid. But he is still widely regarded as the most important industrial figure in a country which relied on gold last year for more than 50 per cent of its total exports.

The two sides have been putting out feelers over mining and metallurgy at a time when both have been holding back the volume of bullion sent to world markets in an effort to support the price.

The South African and Soviet governments are both firm believers in a strong monetary role for gold. The rouble is still formally backed by the Soviet State Bank's reserves of the yellow metal. And both countries have been rewarded by the sight of the gold price shooting up to an average price of over $600 per ounce last year.

Although it is now down to around $530 per ounce, more than $300 below the short-lived peak in January, 1980 immediately after Russia's invasion of Afghanistan, the price is still more than double the end-1979 level, providing an important boost to both economies.

The Soviet Union, always an enigmatic operator on world gold markets, has become even more mysterious by taking greater efforts to hide the methods with which it channels metal to the West. It has also added to the puzzle by cutting back supplies at the same time as making large purchases on a number of other metal markets. Metal dealers believe the Soviets may be increasing consumption of metals like cobalt, titanium and tungsten for military purposes.

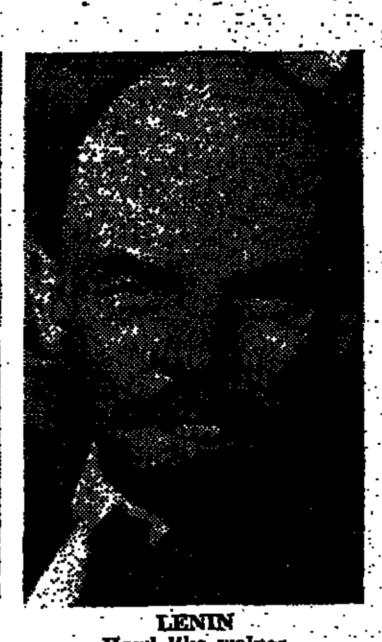
The Soviet Union has always strongly denied any suggestion of collusion with South Africa over mineral sales. In November, the Government newspaper Izvestia said stories about South African links in the Financial Times and other newspapers were reminiscent of the propaganda methods of Dr. Goebbels.

Russia has always, however, been willing to compromise its ideological principles. Lenin wrote in 1921 that gold would eventually be used to line public lavatories. But pending the final *socialist victory, Russia would* have to exploit the capitalist system to get the best price for its gold. "When you live among wolves you must howl like a wolf," he said.

HARRY OPPENHEIMER
Advantageous credentials

MICHAEL BECKETT
A Moscow visit

GORDON WADDELL
'Passing through'



LENIN
Howl like wolves

It has been an open secret for years that the Russians have been co-operating with De Beers in diamond marketing. Rough diamonds from Moscow are passed through a small London company to De Beers' Central Selling Organisation, which *distributes them through its* normal London sales.

South African and Russian platinum producers meet regularly in the offices of precious metals traders in London and at the annual platinum industry dinner at the Savoy hotel. In the words of one senior executive of a South African platinum mining company, "Each of us tries to find out as much as possible from the other while giving nothing away ourselves."

> **"The Soviet Union, always an enigmatic operator on world gold markets, has become even more mysterious by taking greater efforts to hide the methods with which it channels metal to the West.**

Suspicions that platinum co-operation might go a little deeper were strengthened last November when Mr. Gordon Waddell, an executive director of Anglo American, was spotted with Soviet officials in Moscow. He was watching the opera "Boris Godunov" at the Bolshoi Theatre.

Mr. Waddell, who has since become chairman of Johannesburg Consolidated Investment, the major shareholder in the world's largest platinum mine, told the reporter who saw him that he was just "passing through."

Shortly before, in September last year, Mr. Michael Beckett, an executive director of Consolidated Gold Fields, the London mining finance house 29 per cent owned by the Anglo *American-De Beers group*, visited Moscow with two other ConsGold executives.

The prime purpose of the visit, hosted by the Soviet Foreign Trade Bank, which controls Russia's gold exports, was to allow the ConsGold team to build up information on Soviet gold activities for use in the company's bullion surveys.

ConsGold believes, however, that the relationship could eventually broaden out to exchanges of view on mining techniques and metallurgy.

This could include the question of some kind of joint mining venture—although any deal would certainly be years off. Cons Gold which held a stake in a Russian gold mine before the 1917 revluation, makes clear that at the moment it has a lot of other international mining projects under consideration.

ConsGold maintains that Anglo American's *shareholding*, most of which was built up just over a year ago, is purely an investment stake. In Johannesburg, however, suspicions that Anglo American is flexing its muscles have been aroused at Gold Fields of South Africa, 48 per cent owned by ConsGold. Gold Fields executives are reported to be annoyed that their *office memos* are being circulated and discussed at the Anglo American headquarters.

ConsGold itself has underlined the principal reason why the Russians are interested in mining co-operation with the West. Last year the company drastically lowered its estimate of Soviet annual gold production estimates of over 400 tonnes had been based on over-generous assumptions of the efficiency of Russian equipment.

The experience of the British mining company, Rio Tinto-Zinc, shows that any talks with the Russians on mining ventures would be long and hard. Before the talks broke off in 1973, Rio Tinto spent years negotiating with the Soviet Union over a project to exploit the huge Udokan copper deposits in Siberia.

One stumbling block was that Soviet law forbids shareholdings by western companies in joint ventures: Rio Tinto wanted more than just a *contract* to manage the mine.

The Soviet Union already relies on the West for supplies of heavy bulldozing and earth-moving equipment for use in its large open-pit gold and diamond mines.

U.S. companies like International Harvester and Caterpillar head the list of suppliers, although a large amount of equipment comes through Finland.

ConsGold underlines the fact that co-operation might not be a one-way street. The Soviet Union might itself be able to offer technology to the West.

This is in fact already happening. Gold Fields of South Africa is one of a string of companies interested in buying Russia's Kivcet lead smelting process—reputed to be one of the best in the world—for use at the Black Mountain lead/silver mine in the N.W. Cape. A decision on the smelter is expected within two years.

The Black Mountain mine is being run jointly with Phelps Dodge, the U.S. mining company, with finance for the lead smelter possibly coming from the South African Government's Industrial Development Corporation.

Talks on the smelter project are taking place with the West German engineering company Kloeckner - Humboldt - Deutz, which has close contacts with the Russians and is handling licensing arrangements for the Soviet process in the West. Significantly, Anglo American itself made contact with KHD two years ago to express interest in the process.

Other companies interested in acquiring the technology include Cominco in Canada, AMAX in the U.S., Preussag in West and Broken Hill and Associated Smelters in Australia.

South Africa might also have something to learn from Russia in the area of gold marketing. The Soviets have become "very shrewd and business-like," says Herr Hubert Baschnagel, executive board member responsible for gold and currency trading at Swiss Bank Corporation.

Other bankers says the Zurich-based Wozchod Handelsbank, the Soviet-owned trading bank which carries out Russian gold sales, has become a *slick* and profitable dealing operation buying and selling gold in London, Zurich and the Far East.

By contrast, the South African Reserve Bank, which handles Pretoria's gold marketing, is a great deal less sophisticated, although last year it started a new "flexible" policy of holding back part of its production from the European markets.

The South Africans and Russians keep in touch largely through the bullion dealers in the trading centres of London, Zurich and Frankfurt, according to one West German dealer.

Representatives of Russian banks also use personal contacts with market participants—including some with South African connections—to keep fully abreast of gold developments.

Russian sales to the West are thought to have fallen to 80 to 100 tonnes last year from over 200 tonnes in 1979. The two years' sales would each however have netted around the same amount of foreign exchange because of the 1980 price surge.

So far this year the Soviet Union seems to have made no significant sales through its main outlet, Zurich. Dealers believe that it is holding out for higher prices, and is keen to build up gold reserves diminished by heavy selling earlier in the 1970s.

MEN AND MATTERS

Not the right sort of person

Although we may not all have voted for Mrs. Thatcher, she is for the immediate future Prime Minister of this country. It is disturbing, therefore, to learn *that her partisan preferences* may have survived the transition into Government a little too vigorously, as one might infer from a letter issuing from Elizabeth Lamb of the Downing Street political office to a couple in Grantham celebrating their 65th wedding anniversary. A relative had asked for congratulations to be sent. What came was this:

"Dear Mr. Sheen: The Prime Minister receives so many requests for birthday and wedding congratulations that she has to make it a rule that she only sends them for golden and diamond anniversaries and 100th birthdays, but only to supporters of the Conservative Party. I am sorry to have to send you this disappointing reply, but I am sure you will understand."

Quite apart from what the letter says — Downing Street confirmed last night that the guidelines are correct "as a general rule" — would it not have cost if anything rather less in time, trouble and expense simply to send a one-line note of congratulations? A surfeit of principles is no good thing.

Scot free

On the assumption that there must be a law against such things, two Dundee lawyers started delving into the records when Scottish Secretary George Younger doubled the toll charges on the Tay road bridge.

Philip Forte and Iain Galloway now reckon they have found good grounds for challenging the 25p car toll. The 1707 Treaty of Union between England and Scotland, they say, states clearly that "all subjects of the United Kingdom shall have full freedom and intercourse of trade and navigation to and from any port or place and shall have the same allowances, encouragements and drawbacks."

Anyone infringing those rights can be challenged in the courts. And the Scottish National Party is being urged to petition against Younger.

"*Our legal adviser agrees* that there could be no clearer case of obstruction to full freedom of trade between Fife, Dundee and Edinburgh than these tolls," says the SNP's Eric Wooldridge. So the Government could have to choose between removing the tolls from the Tay or imposing them on bridges over the Thames as well.

Power restored

The way is clear now for the formidable vetran Oginga Odinga, former Vice-President of Kenya, to return to Parliament after an absence of 12 years, two of them spent in detention.

In a remarkable exhibition of self-sacrifice the MP for Bondo (Odinga's former constituency) Hezekiah Ougo Ochieng, has resigned his seat in favour of Odinga. In the by-election to come there is not likely to be any other contender, illustrating as Odinga and Ougo intend, the reunification of the large and influential Luo community in Western Kenya, which has been split for so long.

It is no secret that President Daniel Arap Moi wants Odinga back in Parliament and he is probably in line for a ministry. Moi, though not liked by the once ruling Kikuyu establishment, is immensely popular among the Luos, the second largest tribal group in Kenya, probably because he belongs to *the minor Kalenjin group*. Tribalism is still strong in Kenya though Moi is trying to wipe it out.

A small mark of Moi's favour was the recent appointment of Odinga to the chairmanship of the cotton lint and seed marketing board.

Odinga, long suspected of radical left-wingery, was detained by the Kenyatta Government in 1969 after political disturbances in Western Kenya which followed the assisination of Tom Mboya, a leading Luo Minister. Since his release in 1971, Odinga has made several attempts to return to Parliament *but he was 'stained'* by his leadership of the now defunct Kenya Peoples Union, which opposed Kenyatta's Kanu party.

Prutec plants

The first fruits of Prutec, the Prudential *Corporation* subsidiary with £20m to invest in technological innovation, should be seen this autumn. Prutec, the product of an association between the Pru and Patscentre, the technical research arm of PA International, kicked off last June with a brief to foster innovatory applications for existing technologies. It now has 20 projects on its books, in the fields of microelectronics, biochemistry, communications technology and energy, of which the first clutch are moving towards prototype phase.

Patscentre advises clients on technological development, and offers its scientists and laboratories for research on a fee basis. Where such work yields an idea which might be spun off into a new and saleable product or process, Prutec gets first refusal on financing its development and marketing the result.

Prutec has now chosen the board of wise men who, together with chief executive Derek Allam, assess the potential of the ideas presented to it. The Pru's men are Ron Artus, Brian Medhurst, and James Findlay, joined by PA's Gordon Edge and Peter Lawson, together with Cambridge University vice-chancellor Sir Peter Swinnerton-Dyer, St. Edmund Hall principal Sir Ieuan Maddock, and London University pro-rector Sir Hugh Ford.

Work underway, reports Allam, includes a computer control system to co-ordinate for maximum efficiency electricity consumption in large buildings; solar cells; and a screening system to guard against animal parasites.

"It's amazing the number of economists there are who still have a job!"

Prutec does not, however, plan to confine its patronage to Patscentre projects. Now under consideration is a scheme whereby Prutec would inject around £500,000 annually for four to five years into still-under-wraps research project at a British industrial company.

And while British industry may sometimes be criticised for not putting enough resources into innovation, there is certainly no shortage of willing helpers. A Prutec advertisement for staff to investigate potential projects has yielded, says Allam, no less than 1500 would-be recruits to the cause.

Tough luck

"Something wrong with the steak, Sir?"

"Only that I would be grateful if you could tell the chef how sorry I am that his rhinoceros died."

Observer

Hazel Duffy, Industrial Correspondent, reports on how GEC won Britain's largest single export order

Great Britain Inc. wins the day

EARLY ON Saturday, January 31, four copies of a 34-volume proposal for the construction of a complete power station arrived in the offices of the China Light and Power Company in Hong Kong.

The volumes, which weighed a quarter of a ton and cost £2,500 to airfreight, were the basis of a £550m deal—the largest single export order won by British industry—which was to be signed less than two months later.

The order is a significant coup for Britain at a time when power plant manufacturers worldwide are quoting highly competitive prices for the few power station projects in the market. Britain clearly had some advantage over other suppliers simply because Hong Kong is a Crown Colony. But the people involved in the hectic negotiations which led up to the signing of the Letter of Intent nearly two weeks ago, insist that it made comparatively little difference.

GEC, the main contractor for the project, has won several major orders in the past five years—in South Korea, South Africa and Canada as well as Hong Kong—in the teeth of international competition. Earlier this year, for example, it won an order from Calgary Power in Alberta against competition from Hitachi, in spite of the fact that the Japanese group had supplied the first two generator sets on the power station.

In Castle Peak "B," the code name for the planned new Hong Kong station, Britain was asked to put together a complete project package, including finance. Furthermore, it was asked to make its presentation in a very short space of time—the whole process from despatch of the formal request from China Light and Power on December 1 to the signing of the agreement was less than four months.

Britain's success was the outcome of a remarkable degree of co-ordination between Government, industry and the banks—the sort of "Great Britain Incorporated" effort which is frequently extolled by industry commentators as the only way to win major export orders but all too infrequently seen in Britain.

The financing package also broke new ground—including commercial credits it amounts to about $1.8bn, the largest project financing ever arranged in the City of London. Repayment will be over 12 years from the date of commissioning (which will take the banks beyond the 1997 date when the lease on the New Territories is due to expire), at a fixed rate of 8¼ per cent.

Almost all the equipment for the 2,640 MW coal-fired power station, one of the largest in Asia, is to be supplied from the UK. GEC, the main contractor, will receive £180m worth of work in its UK factories—£130m for GEC Turbine Generators, which will be supplying the four 660 MW generating sets, and £50m for other GEC equipment.

Babcock Power, the main subcontractor, will benefit to the extent of £275m work for the supply of the coal-fired boilers. British suppliers are expected to receive the bulk of the remaining parts of the huge order.

Nearly four years ago, the British Government had been approached by Sir Lawrence Kadoorie, chairman of China Light and Power, with a similar request for Castle Peak "A". Sir Lawrence, like many others around the world, had read the gloomy 1976 Think Tank report into the UK power plant industry, and wisely concluded that if he was prepared to give the hard-pressed industry in Britain an opportunity to export, he might expect substantial financing co-operation from the Government.

The person who handled those negotiations for the government was Mr. John Lippitt, then deputy secretary at the Department of Industry. He now holds a senior position at GEC. This time he has also been a member of the negotiating team in Hong Kong although acting from a different standpoint.

After the mammoth effort of preparing the plant proposal in six weeks, which cost GEC an estimated £300,000, the bid proceedings opened formally on February 1. Most of February was taken up by the technical and commercial evaluation by the customer of the proposal, with hundreds of questions being referred back to the UK.

The 70-strong team, most of whom went out to Hong Kong in the last week of February, consisted of representatives from the Department of Industry, ECGD, Schroder Wagg (the bank that put the loan package together), GEC, Babcock, British Electricity International (the export arm of the Central Electricity Generating Board which provided advisory services to the customer and had also helped to draw up the original proposal), and L. G. Mouchel, civil design consultants.

The team took over a whole floor of the New World Hotel in downtown Hong Kong, opposite China Light and Power's offices in the Tsim Sha Tsui Centre, for four weeks, at a total cost of £200,000. For most of them, it was a one month stint without a break of more than a couple of days. Often they found themselves working into the night to take advantage of the working day in Britain.

The negotiations in Hong Kong were as strictly timed as every other part of the bid process. The customer had received reports from the two international firms of independent consultants appointed at the outset — Electrowatt of Switzerland (appointed by China Light and Power) and Gilbert Associates of the U.S. (appointed by Exxon which has a majority stake in the operating subsidiaries of China Light and Power)—from which a common cost profile had been determined. This was set against the British offer, forming the core of the customer's negotiating stance.

Britain's Foreign Secretary, Lord Carrington, talking to site engineers at the Castle Peak "B" station yesterday.

China Light and Power turned out to be a hard bargainer on every aspect of the proposed contract — technical, contract conditions, and in the third week of the negotiations, price. A separate team appointed by the utility had been evaluating the loan offer, which then formed an integral part of the overall formal negotiating procedure.

Mr. Lippitt emphasises that this strict timetable was in return for the agreement to a negotiated bid. "These negotiations were much tougher. The customer had hired a lot of staff to advise on all aspects, and Exxon played a much bigger role in the negotiations. Other power plant manufacturers in the world have been itching to get into the Hong Kong market, and China Light and Power was not averse to telling us that it wanted a very good package as a result," he says.

Mr. Bob Davidson, managing director of GEC Turbine Generators, says: "Exxon does not like negotiated bids. It was made quite clear to us from the start that the customer would go out to international tender if we didn't meet his requirements."

The Government also played a significant role in overcoming Exxon's objections to a negotiated bid, simply by being involved. This gave a sort of independent official backing to the proceedings, exemplified in the fact that all the formal approaches from the customer were made through the Department of Industry, while Mr. Gordon Manzie, Mr. Lippitt's successor at the Department, chaired the negotiations in Hong Kong.

Co-ordination on major export projects between the Departments of Trade and Industry, and with the Export Credits Guarantee Department, has improved since the setting up last year of a special Projects and Export Policy Division. Even this non-interventionist Government has recognised that government participation is often necessary for such projects.

The Letter of Intent was provisionally signed the day before China Light and Power planned to go out to international tender, and confirmed by the Exxon board in the U.S. last Friday.

British industry can be heard frequently to criticise its Government for its lack of flexibility and understanding about commercial considerations in winning exports, but in this particular case, Great Britain Incorporated pulled it off without a hitch.

Sir Lawrence's faith in Hong Kong's three-legged stool

AT THE age of nearly 82, Sir Lawrence Kadoorie is not surprisingly slightly stooped of body. But his mind is so alert that the word sprightly is an understatement when applied to him. He still takes a leading part in negotiations. And he is still actively pursuing a dream of seeing Hong Kong continue to exist and flourish well into the next century.

A key to his thinking, which can be seen in the latest power contract deal, is that Hong Kong is founded on what he calls a "three-legged stool." The first leg is that Hong Kong must show that it is of some use to Britain; the second is that it must show that it is of use to China; and thirdly, it must show it can give better jobs to the more sophisticated and educated younger generation growing up in Hong Kong.

Sir Lawrence comes from a family of Baghdad Jews long established in Hong Kong and China. He himself was born in Hong Kong in 1899, just before the lease on the New Territories was signed between Imperial Britain and a less powerful Imperial China.

In bearing and behaviour Sir Lawrence is the epitome of an urbane and cultured English gentleman. His office is on the top of St. George's Building in the heart of Hong Kong. One wall is full of a large collection of jade. The other walls afford a panoramic view of the harbour and of Kowloon with the twinkling if sometimes glaring lights of the shopping and entertainment area, lit by his China Light & Power Company, increasingly courtesy of equipment provided by British power companies.

China Light & Power's British connection was certainly enhanced in the mid-1970s when William Stones, then director of generation with Britain's Central Electricity Generating Board, came to the company. In the pukka British discussions at China Light—as in other parts of the territory—one sometimes hears a lament that Britain no longer appears to care about Hong Kong.

In that respect the series of power station deals that Sir Lawrence has negotiated might seem an attempt to remind Britain of its most flourishing territory. But it would be a mistake to paint Sir Lawrence as a flag-waving Briton. He also has a reputation as a tough negotiator, as he would have to be to persuade his partners Eastern Energy, a subsidiary of Exxon the international oil company, to accept British equipment for the lion's share of the Castle Peak "B" contract.

Logically, Sir Lawrence has said, Hong Kong should not exist, but he adds "illogically the international need for the services it renders are essential to the future relationship between East and West." Sir Lawrence appreciates the delicate political balances. He and his family remember what happened in Shanghai when the Communists took over and the foreign business community there thought that their tail could wag the whole Chinese dog. Hong Kong can act as the "free zone of China under British management" as Sir Lawrence puts it. But Britain must continue to appreciate the importance of the territory, and so must China.

Kevin Rafferty

Letters to the Editor

Financial strategy

From Professor B. Griffiths and others

Sir,—Samuel Brittan (Lombard, March 23) chastised monetarist groups for their disunity at this crucial stage of the Government's medium term financial strategy. As one of the groups named, we would be happy to join with him in deploring the behaviour of non-monetarist "wets" in undermining business confidence. We are less happy with Mr. Brittan's suggestion that all groups should bury their differences over whether M1, M3 or M5 is the best monetary indicator, and close ranks around his own preferred indicator, nominal GDP.

Our attachment to sterling M3 is not rooted in dogma, but is based on a careful statistical analysis of its performance in predicting inflation. By all statistical criteria sterling M3 outperforms M1 in this task. We ruled out money GDP on logical grounds, because it is published only 4-6 months after the event, relates to quartely flows, and is subject to frequent major revisions.

We have examined in some detail the argument which the Financial Secretary to the Treasury used in the financial statement earlier this month to the effect that the excessive £M3 growth in 1980 will not feed through into prices because the increased supply of £M3 is a response to an increased demand for this balance. The argument is that as a result of the unexpected increase in the price level and changed incentives to consume and save introduced in the June 1979 Budget, the savings ratio rose very sharply in 1980 and that these increased savings produced a one-for-all increase in the demand for £M3 balances. We find, however, that when one has taken into account the effects of 1980's high interest rates, changes in the savings ratio do not in any way help explain the differential between £M3 and M1 growth. It may be that what happened in 1980 is indeed a special case but the evidence suggests this is wishful thinking.

Of course, we do not believe that the lag between money and prices is fixed and immutable, like Mussolini's train schedules. We have enough experience of Southern Region to know that rain, power failures and defective trains make arrivals somewhat erratic; and we have enough experience of prices and incomes policies, VAT changes and floating exchange rates to know that the same is true of price rises. Repeated daily experiments, however, by one of the undersigned show that although the 8.16 to Holborn Viaduct may not arrive exactly on time, it will rattle in sooner or later. From our (admittedly less intensive) study of money-price relationships in the UK we are equally sure that last year's money growth will push up prices, sooner or later, and probably sometime in 1982. If monetarists are to close ranks, then, it should be around a call for a tighter and more effective control of sterling M3 growth.

Roy Batchelor,
Brian Griffiths,
Kate Phylaktis,
Geoffrey Wood.
City University,
Northampton Square, EC1

Electricity pricing

From Professor D. Wood and Mr. E. Whiting

Sir,—Your report (March 26) on "Fears for ICI chlorine business" underlines the drastic effect on chemical industries of electricity charges. Why are electricity prices so high? We believe there are four main reasons.

The Electricity Council, like several other public sector bodies, has been instructed to work on target rates of return on capital on a current cost accounting basis. The fixed assets, which are largely power stations, have been valued at "replacement cost" by applying an inflation index to the original cost, producing a depreciation charge of 2½ times historic cost depreciation. Now revaluation of long lived assets subject to technical development is at best a hazardous exercise and inspection of the actual amounts of capital expenditure shows large overstatement of current cost depreciation has been likely—a result that may well arise from the "modern equivalent asset" problem.

Even worse, there is no likelihood that demand, in the light of existing pricing policies, will ever require the replacement of many of these expensive plants, since electricity consumption from users suffering ICI's difficulties is falling sharply. A Government requirement that prices must reflect the current cost of replacing assets which [illegible] because of the high prices is a real Catch 22.

A further consideration is the absence of a "gearing adjustment" in the accounts of nationalised corporations. High interest rates compensate partly for the erosion of loan capital by inflation. Since it is the public, not the Government, which suffers this debt erosion, it is absurd that the full value of real debt reduction is not allowed for in the accounts.

Cash limits prevent investment in systems (such as nuclear power) that offer, even on the Electricity Council's own figures, lower real energy costs. Cash limits are no sensible investment criteria at all and do not apply in the private sector. If you can produce a convincing investment project, you can generally get the cash.

The Electricity Council appears to pay no tax because of high capital allowances and high interest payments. In the private sector companies of this kind would be able to obtain at least some of the benefit from their tax allowances through leasing of equipment. The Electricity Council is not permitted to do this. A system of investment grants, as existed before 1971, at least assured that government subsidies were based only on the type and location of investment and did not depend on the tax position of the investing organisation.

The conventions that have been chosen to assess financial performance of nationalised industries do not reflect the opportunity costs of resources used; instead they seem almost designed for the purpose of extracting a hidden tax, which falls very hard on heavy users. Worse still, while we all pay the increased prices, falling demand ensures that public sector corporations have to come back for an increase in cash limits, often in excess of what would have been required had prices been lower in the first place.

Douglas Wood.
Edwin Whiting.
Manchester Business School,
Booth Street West,
Manchester.

The cost of gas

From Mr. J. Sykes

Sir, — The proposed increase of just under 13 per cent for the manual workers in the British gas industry prompts me to write in terms as strongly as possible in support of Mr. Horner (March 25).

With the failure of the Chancellor to heed the warnings of the major users of gas, despite constant references in annual reports from the chemical, paper and textile industries to the irreparable damage caused by this Government's pricing policy towards industrial energy costs, this proposed increase, which is almost double the Government's recommended limits, will have the most devastating effect on industry still reeling from the effects of the Budget's measures.

Last year British Gas imposed an increase of 53 per cent for industrial interruptible users; this year our increase was in two stages giving an average increase of 21½ per cent. There has been an overall increase of 81 per cent in the last three years. In that comparable period we have been able to increase our prices by 37 per cent. The Conservative Government came into office on the ticket that it would implement drastic cuts in the public sector. After two years it is still the private sector that is subsidising the nationalised industries.

Any increase should be met from within the profitability of British Gas with no increase to the consumer. We had hoped that prices would be pegged at the January 1 level, but Mr. Horner says this will not be so. Another blow for the consumer. Should the Gas Council attempt to pass on any increase this will only diminish the already declining profits and cause further massive redundancies and closures in the vital manufacturing industries of this country.

James Sykes,
James Dyson and Sons,
Hoyle Ing Dyeworks,
Linthwaite, Huddersfield.

Opencast coal

From the Chairman, National Coal Board Opencast Executive

Sir,—The Council for the Protection of Rural England, whose chairman's letter you published on March 25, is a well-respected organisation with objectives that are supported by all reasonable people. The Coal Board's opencast executive, recognising the council's concern for the environment and its expertise in protecting it, consult it regularly and readily. But Mr. Wade's letter suffers from a failure to make the necessary (albeit usually difficult) balance between economic need and amenity.

He argues that an overriding national need for the coal has not been proved. The main reason for the present problems of Western Europe, and the accompanying social evil of unemployment, is the area's vulnerability to the rapid increases in the price of imported oil which started in 1974. Dependence on supplies from an unstable part of the world like the Middle East involves a loss of political independence to add to the commercial disadvantages. The solution must surely be to develop low-cost sources of indigenous energy.

Opencast coalmining produces some of the cheapest fuel available to Britain. Without it the price of coal, and thus the price of electricity, would have to rise, generating still further inflation.

Mr. Wade equates the objective of 15m tonnes of annual coal exports with the present total opencast output. The similarity in the figures is fortuitous; in fact, 15m tonnes of exports will take some time to reach: in the current financial year, the level is likely to be just over 4½m. The great bulk of this year's opencast production will go, as always, to customers in the UK. The fact that at present world prices the NCB itself makes no profit on coal exports does not mean that there is no benefit to the economy as a whole. Exports this year will bring in nearly £150m of foreign exchange.

Donald Davies.
NCB Opencast Executive,
Hobart House,
Grosvenor Place, SW1.

Democracy for landlords

From the Press Officer Small Landlords Association

Sir,—One test of democracy for the newly formed Social Democratic Party is whether it is willing to give justice to the bona fide private landlord.

Since the war, landlords have suffered hostility from the Labour Party; ambivalence from the Liberals; and expedient indifference from the Conservatives.

In an engaging statement on fair distribution of wealth, the new Social Democrats say that while the state should lean towards greater equality, if it intervenes oppressively it will damage individual liberty and diminish the nation's wealth.

But the gang of four were in the Cabinet which sanctioned Labour's 1974 Rent Act which was oppressive in the extreme. Furthermore, they claim to support the last election manifesto of the Labour Party where the policy was to take over the property of non-resident landlords. Nothing was said about the compensation terms but any background reading will disclose that Labour's terms are the occupied value which as far as the bona fide landlord is concerned, is nothing short of expropriation.

What is the policy of the Social Democrats? Do they really believe in justice and fair play; and are they (unlike the Conservatives) prepared to take steps to correct the injustices of the past?

G. F. Cutting.
7, Rosedene Avenue,
Streatham, SW16.

Today's Events

GENERAL

UK: Mr. Roy Jenkins speaks at Gladstone Club dinner, National Liberal Club, London.

Mr. Ivor Richard, EEC Employment Commissioner, meets Mr. James Prior, Employment Secretary, London.

Mr. Norman Tebbit, Industry Minister, speaks at County Bank/Coopers and Lybrand seminar on Japanese investment in the UK, London.

Mr. John Biffen, Trade Secretary, opens Food Manufacturers Federation conference on food costs, London.

Mr. David Howell, Energy Secretary, addresses Engineers and Managers Association annual conference, York.

Mr. Ian Macgregor, British Steel Corporation chairman, speaks at Foreign Press Association, London.

Overseas: NATO's special consultative group meets to discuss disarmament, Brussels.

EEC Agriculture Ministers meet, Brussels.

PARLIAMENTARY BUSINESS

House of Commons: Remaining stages of the Forestry Bill and of the Criminal Attempts Bill. Motions relating to the National Health Service (Dental and Optical charges and remission of charges) Regulations.

House of Lords: Statute Law (Repeals) Bill, committee. Water Bill, report. Fisheries Bill, second reading. Debate on mental aftercare.

Select Committee: Foreign Affairs, Overseas Development Sub-Committee, on the role of the UK Government in relation to the Mexico summit in the light of the Brandt Commission report. Witnesses: Foreign and Commonwealth Office and Overseas Development Administration; Oxfam; Society for International Development. Room 15, 5.15 pm.

OFFICIAL STATISTICS

National income and expenditure in the fourth quarter and year 1980. Bank of England Bulletin published giving fourth quarter UK banking sector statistics, financing of the central government borrowing requirement, and money stock.

COMPANY MEETINGS

See UK News on Page 10.

H Quick dives to £175,000

PRE-TAX PROFIT of H. and J. Quick, passenger and commercial vehicle dealer, slumped from £1.16m to £175,000 in 1980 on turnover of £81.14m, up from £77.23m.

At the half year stage the company made a pre-tax profit of £103,000 (£848,892) on sales of £46.17m (£39.96m).

Stated earnings per 10p share emerged at 1.5p (19.53p) and the directors have recommended a final dividend of 0.615p (1.23p) making a total of 1.145p (2.29p).

Ocean nearly recovers to 1977 level

Ocean Transport and Trading, one of Britain's leading shipping companies, lifted profits, before tax, from £19.7m to £35.5m for 1980. This result, which is at the top end of City estimates, represents an almost complete recovery to the 1977 level of £37.5m.

The dividend is improved marginally from 8.9p to 9.0p net, with a final of 4.7p. Ahead of the results, the shares rose to 150p on the London Stock Exchange yesterday, but fell back to close unchanged at 146p on disappointment over the small dividend rise.

The result, which includes share of associates profits up from £18m to £22m was struck after heavier interest charges of £19.4m against £16.7m. On a current cost basis the profit before tax is reduced to £24.6m.

The results partly reflect a turnround in the Nigerian trade, which accounts for a large part of Ocean's liner operations. In the first half of 1979 a substantial proportion of Ocean's West African liner services were nearly at a standstill following the Nigerian Government's introduction of a pre-shipment inspection scheme for all import cargo.

The group also benefited from better than expected results from Barber Blue Sea round-the-world service while its share of profits of Overseas Containers held up well.

Although OCL is forecasting lower results in the current year Ocean expects marine results to be in line with those of 1980. The group is optimistic about its subsidiary Straits Steamship, while in the UK the group's interests are expected to show an improved result in 1981.

The company says that taking into account the state of the world economy and the expectations of all the businesses, both in the UK and abroad, results for the group in the current year should be maintained.

The group's results for 1980 showed a trading profit up from £14.8m to £30.6m on a turnover of £594.5m (£534.2m). An analysis of trading profit and turnover shows: shipping £17.4m and £154.7m; port freight forwarding agency and oilfield services £5.5m and £164.4m; coal trading and energy services £2.7m and £198.3m; property £3.4m and £5.3m; general £1.6m and £7.18m.

During the year the company has invested £336m but at the *same time reduced its debt from* £207m to £198m. It expects total debt to fall again in the current year.

	1980 £m	1979 £m
Turnover	594.5	534.2
Trading profit	30.6	14.8
Profit on ships dispsl.	2.1	3.6
Interest	19.4	16.7
Share of associates	22.2	18.0
Profit before tax	35.5	19.7
Taxation	8.3	8.0
Net profit	27.2	11.7
Exchange deficit	0.1	*3.3
Minorities	0.8	*0.5
Extraord. debit	—	0.3
Atributable	26.3	15.2
Dividends	10.1	9.9
Retained	16.2	5.3
Earnings per unit	23.5p	13.9p

* Credit.

See Lex

Decline at Ferry Pickering

PRE-TAX profits of Ferry Pickering, printing, publishing *and packaging company*, fell from £746,000 to £654,000, in the half-year to December 31, 1980, on turnover slightly down from £4.08m to £4.04m.

Mr. P. G. Nixon, chairman, says the company was particularly badly affected by the economic situation in the last two months of the half-year. The first two months of the current period saw little improvement, but present demand is higher which, if sustained, will justify some confidence, he says.

Tax for the half-year took £340,000 (£388,000) and the directors have declared a same again net interim dividend of 1p per 10p share—last year's total was 2.6p from profits of £1.43m.

Stated earnings per share emerged at 7.604p gross (8.724p) and 3.651p net (4.186p).

GRANADA GROUP 'PROFIT UP'

Mr. Alex Bernstein, chairman of Granada Group, said at the AGM yesterday that despite the continuing recession, the company's profit so far for the current year is as budgeted and above that for the same period last year.

Colour television rental business is slow he said, but the company's business in video recorders is growing fast.

APV slips and warns on current year

A DRAMATIC reduction in orders for its UK companies from April onwards and the adverse impact of a strong pound on overseas earnings led, as expected, to lower profits for A.P.V. Holdings in 1980.

The pre-tax surplus slipped from £19.03m to £18.56m. UK profits fell by some £1.6m; overseas profits improved by a similar amount to £10.6m, but would have been £1.3m higher if translated at 1979 exchange rates.

Because of the substantial cover available, the dividend is being lifted from 8.4p to 9p net with a final of 6.2p. This level of payment is also covered by the CCA profit, shown as £10.48m before tax.

Sales rose by £20.6m to £282.1m during 1980. The pre-tax profit was struck after interest charges up from £3.21m to £2.54m, and a provision this time of £0.5m to augment pensions.

Tax takes £6.78m (£6.75m). Extraordinary debits of £596,000 (£205,000) include the £1.73m cost of closures and reorganisation, and a release of £1m deferred tax.

Basic earnings per 50p share are shown as 40.49p (42.34p) and fully diluted earnings 36.08p (37.69p).

• comment

Standing at 215p six months ago, shares in APV were caught up in the wave of enthusiasm for engineering stocks and rose 20p yesterday to 240p. The dividend rise was one of the key features and, allowing for extraordinary costs, APV appears to maintain sufficient CCA cover to protect its distribution in all but the most extreme circumstances. Redundancies affecting 15 per cent of the UK payroll are now expected to put the domestic operations back onto an even keel (the UK contribution fell by a fifth at the pre-tax level in *1980 ignoring the pension* top-up) and further growth is expected overseas. Currency translation cost about £1.3m but the real progress made in most areas of operation abroad, despite this barrier, is an encouraging pointer to the potential this year. Much of this resilience is already reflected in a fully taxed and diluted historic p/e of 8.9 and there is little additional support in a yield of 5.4 per cent but the track record alone suggests that the shares will be in the forefront of any further sector re-rating.

Low & Bonar hit by strong pound

PRE-TAX profit of Low and Bonar, general engineering holding company, fell from £9.02m to £7.64m in the year to November 30, 1980, on increased turnover of £151.62m compared with £142.82m.

The stated earnings per £1 share came out at 41.27p (49.34p) and the directors have recommended a final dividend of 9.5p making a same again total of 14.5p.

• comment

Considering its exposure to the beleagured packaging and engineering sectors Low and Bonar has done well to turn in a 15 per cent decline in pre-tax profits and maintain its dividend. Low and Bonar has been shielded from the domestic recession by its African textile interests which continue to improve and *by a first time contribution from* Nairn Travel in the region of £500,000. Interest charges have taken their toll rising by 13 per cent to £2.117m. With no sign of a domestic upturn the company is unlikely to repeat last year's interim earnings of £3.9m. The shares at 200p yield 11 per cent and the p/e, *fully-taxed*, is 8.8.

Cavenham sells off its manufacturing activities

Cavenham, the food group, has completed the disposal of all its manufacturing activities and will now concentrate on food retailing.

Cavenham said yesterday it has converted its holding of ordinary shares in its U.S. holding company, Cavenham Holdings Inc, into preference shares of that company.

The group said that this allows Cavenham to concentrate its trading activities in the UK and also takes into account the need to service its own preference capital.

This transaction has been affected after taking into account valuations *carried out by* B. Drexel Burnham in the U.S. and Hambros in the UK. The result is that Cavenham will have an income from its cumulative preferred share investment of $15.18m per annum and its *trading activity will consist of* the Allied Suppliers Group in the UK.

Allied Suppliers operates 970 food stores which include the Presto and Lipton chains and also owns associated property investment and development companies.

Allied has recently finalised its programme of development for the next five years which involves a capital investment of £145m.

Cavenham has declared a *further interim dividend of* 12.58p per share for the current year.

Blue Bird falls but interim is maintained

ALTHOUGH PRE-TAX profits of Blue Bird Confectionery Holdings fell from £241,225 to £114,644 in the half-year to December 27, 1980, the interim dividend is being maintained at 1.45p. But the board says this should not be taken as an indication that it intends to maintain the final — the final last time was 2.9p from pre-tax profits of £334,315.

The payment will entirely depend on results and the general economic climate.

It says the Budget has put a seal on any prospect of an appreciable upturn this year.

Turnover for the first half was lower at £5.21m compared with £5.63m. After tax considerably lower at £22,415 (£94,378), stated earnings per 25p share are down from 3.99p to 2.48p.

The chairman says the company is weathering the recession reasonably well and the balance sheet remains strong, but at a cost of about £90,000 to £100,000 during the half-year for having opted to keep the workforce intact.

Should the adverse trends continue in the remaining part of *the financial year, he says, this* policy may well have to be reviewed.

Critical review by Barclays chairman

IN HIS last annual statement as chairman of Barclays Bank, Sir Anthony Tuke takes a critical look at what he regards as banking's main weakness in the past, a lack of flexibility.

The experience of some lesser banks in the mid-seventies may have underlined the sin of borrowing long and lending short, but he believes bankers have been too wedded to what was and what was not "a banking proposition."

"Perhaps we should have grasped the medium-term nettle 25 years ago," he states. This would have provided a valuable facility, not least to enable smaller businesses to have easier access to money for modernisation and re-equipment. "We failed to appreciate the paradoxical fact that our most stable and long-term deposits are our current accounts—technically repayable on demand."

In future bankers must become universal providers of finance, including mortgages. And even more important than this, they must compete effectively for savings.

He says that perhaps the only original major package to emerge in the last 15 years has been Barclaycard.

On the international side, Sir Anthony pinpoints "country risk" as the significant worry facing banks today. Due to recession and rising oil costs, *less developed countries could* find difficulty in servicing existing loans. The bank has recently revised the structure of its international lending lines, in order to improve its ability to monitor the level of risks it adopts in different countries and industries.

This Sir Anthony is confident will enable the bank to combine prudence with a continued ability to grasp attractive opportunities for international business.

As reported on March 6, pre-tax profits for 1980 fell marginally from £529.4m to £523.5m, but the total dividend was raised by 20 per cent.

The accounts show loans outstanding at December 31, 1980 to 23 directors totalled £421,000.

Automated Sec. reaches £1.9m

DESPITE interest charges up from £504,049 to £738,843, pre-tax profits of Automated Security (Holdings), security alarms, improved from £1.55m to £1.88m in the year to November 30, 1980. Turnover rose from £11.12m to £13.6m.

Rental income increased by 27 per cent to £5.2m, while gross rental assets under the company's control rose by 34 per cent to £17m.

The board says the recession's two major factors during 1980 were *high interest rates and the* collapse of the rental sector, both of which affected group turnover and profit.

The directors look to the future with confidence from a stronger trading and balance sheet position than ever before.

After tax up from £97,882 to £114,987 and an extraordinary credit of £120,000 (£109,919), profits retained were £1.5m (£1.33m), and stated earnings per 10p share were 19.43p (16.51p).

The final net dividend is raised from 1.23p to 1.4p for a total of 2.4p (2p).

Charterhouse rises sharply to £16.12m

STRUCK AFTER interest charges £520,000 lower at £7.72m profits of the Charterhouse Group advanced strongly during 1980, the pre-tax figure emerging at £16.12m, compared with £12.15m. At the interim stage profits pre-tax were £3.03m higher at £7.56m.

The dividend for the year is being increased from 4.1p to 4.51p net with a final of 2.76p (2.5p).

The directors point out that the recession had a severe impact on the second half results and these were considerably lower than had been expected. However, they say the group has a much stronger balance sheet and further reduced gearing provides a sound base for the increasingly active investment strategy now being pursued.

The results for the year include profits of Keyser Ullman which have been included *from July 21, 1980—the date of* acquisition.

Disclosed profits from merchant banking are included in the group figures this year on a pre-tax basis, so enabling the results of the group to be presented as those of a single entity. The comparative figures have been appropriately adjusted.

Tax for the year was £4.27m (£3.06m) and stated earnings per 25p share improved from 9.25p to 9.64p. The net balance rose to £11.73m (£8.82m). On a CCA basis the after tax surplus is reduced to £7.31m.

The directors explain that the *tax charge includes a liability of* some 68 per cent on profits from North Sea oil. The overall taxation charge has been substantially reduced by a low tax charge on banking profits and by the use of available tax allowances.

Trading profits which rose from £20.38m to £23.84m, show earnings from development capital at £4.06m (£3.58m), oil exploration and production at £7.75m (£3.44m), manufacturing at £4.26m (£5.68m), services at £5.04m (£7.02m) and banking at £4.23m (£1.8m). Central services incurred a loss of £1.49m (£1.14m loss).

The lower profit of the services sector reflects the group's reduced equity interest in Spring Grove Services following its flotation in December, 1979. Profits from this sector held up well despite the recession.

The attributable profit emerged at £16.43m, compared with £10.17m.

• comment

Charterhouse's pre-tax profits are 33 per cent ahead but the improvement says much more about the year's structural changes than it does about trading performance. After allowing for the increased share capital created by the purchase of Keyser Ullman, the rate of earnings growth is a modest 4.2 per cent. Oil exploration and production would seem to have been, the largest source of organic growth, but will contribute less now that Charterhouse Petroleum has been floated off. Manufacturing, as might have been expected, made only a minuscule contribution in the second half, leaving the manufacturing investments to be regarded rather as a recovery portfolio. Charterhouse Japhet evidently shared in the spoils enjoyed by merchant banks over the last year, as did Keyser Ullmann, although the consolidation of their results makes it difficult to see what each contributed. The growth potential of the integrated bank, now that the bloodletting is over and a new chief executive is to take over this week, gives reason for medium term optimism. Down 3p yesterday, the shares are not dear at 82p on a stated p/e of 8.2, but the yield of 8.1 per cent is giving little away.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
APV Holdings	6.2	—	5.6	9	8.4
Arncliffe Hldgs.	1.54	May 15	1.54	2.66	2.66
Automated Security	1.4	May 31	1.23	2.4	2
Blue Bird Conf. ...int.	1.45	April 24	1.45	—	4.35
Charterhouse Group	2.76	May 29	2.5	4.51	4.1
Emess Lighting ...int.	2.75	May 7	2.5	—	6
Federated Land	2.25	May 7	2.15	3.35	3.15
Ferry Pickering ...int.	1	May 14	1	—	2.6
Freemans (London)	2	June 6	2	3.7	3.5
Newman-Tonks ...int.	1.65	May 22	1.65	—	5.1
H. and J. Quick	0.62	May 29	1.23	1.15	2.29
Scottish Cities ...int.	4	April 15	4	—	10.5
Utd. Friendly Ins.	8.5	May 27	7	12.5	10

Dividends shown pence per share net except where otherwise stated.

SPAIN

March 27	Price %	+ or −
Banco Bilbao	294	+6
Banco Central	340	+8
Banco Exterior	267	+5
Banco Hispano	288	+10
Banco Ind. Cat.	129	+2
Banco Santander	333	
Banco Urquijo	184	+3
Banco Vizcaya	316	+8
Banco Zaragoza	230	
Dragados	140	+5
Espanola Zinc	75	
Fecsa	58	−0.5
Gal. Preciados	31	+1
Hidrola	64	+1.4
Iberduero	55	+2
Petroleos	92.5	+1.5
Petroliber	70	
Sogefisa	85	
Telefonica	61	
Union Elect.	63.6	+0.1

Anglo American Corporation

Reviews by the Chairmen of the Gold Mining Companies administered by the Group in the Transvaal for the year ended 31 December 1980.

The following are general comments on the gold and uranium markets, mining operations and related matters from the reviews by Mr. H. F. Oppenheimer, chairman of Elandsrand; Mr. D. A. Etheredge, chairman of Vaal Reefs; Mr. G. Langton, chairman of Western Deep Levels, Southvaal Holdings and Afrikander Lease; and Mr. N. F. Oppenheimer, chairman of S.A. Land.

Summary of Operations

	Vaal Reefs 1980	Vaal Reefs 1979	Vaal Reefs South Lease Area[1] 1980	Vaal Reefs South Lease Area[1] 1979	Western Deep Levels 1980	Western Deep Levels 1979	Elandsrand 1980	Elandsrand 1979[2]	S.A. Land 1980	S.A. Land 1979
Gold										
Tons milled 000's	8 595	8 183	2 858	2 679	3 329	3 241	985	582	1 336[3]	1 285[3]
Yield-grams/ton	8.13	8.22	10.59	10.29	13.70	14.78	5.33	5.04	1.11	1.24
Production (kg)	69 876	67 282	30 270	27 560	45 621	47 890	5 250	2 931	1 486	1 595
Cost-Rand/ton milled	35.39	31.88	38.21	34.40	44.17	37.15	42.98	35.47	3.93[4]	3.17[4]
Cost-Rand/kg produced	4 399	3 878	3 608	3 344	3 223	2 514	8 063	7 044	3 537[4]	2 557[4]
Price received-Rand/kg	15 784	8 183	15 784	8 147	15 931	8 358	15 491	9 270	15 438	8 099
Working profit R000's	799 047	290 870	368 270	132 942	582 885	280 952	39 801	7 151	6 720[5]	3 072[5]
Royalty Paid	195 637[6]	66 976	195 587	66 976	—	—	—	—	—	—
Capital expenditure R000's	126 106	103 876	54 197	54 992	71 936	72 749	37 055	69 000	2 545	530
Tax R000's	335 120	108 678	—	—	328 303	136 001	—	—	2 114	2 137
Dividends cents share	1 320	510	—	—	800	320	—	—	55	40
Uranium										
Production (tons)	1 758	1 273	773	486	213	199	—	—	—	—
Profit R000's	46 396	61 821[4]	21 631	18 674	3 501	9 484	—	—	—	—

NOTES: 1. Included in Vaal Reefs figures 2. First full year of production 3. From dumps
4. Unit production cost (excluding the delivered cost of dump material) 5. After taking account of the delivered cost of dump material
6. Includes royalty of R50 000 paid to Afrikander lease.

GOLD

Last year I wrote that the price of gold was not expected to drop to the average level of 1979. In the event, the average price during 1980 reached $614 an ounce which was just double the average of $307 achieved during the previous year. Not only was the average price much higher but the pattern underlying the average was also significantly different. During 1979 the price rose relatively steadily from a low of $225 at the beginning of the year to $524 at the close. However, the price last year was subject to violent fluctuations and fell from its record high of $850 in January to a low for the year of $474, just two months later, before recovering some of its previous strength.

It seems clear that the price volatility during the past year stemmed almost entirely from the activities of short-term investors and speculators who used the gearing opportunities afforded by the futures markets, particularly in New York, to trade enormous volumes of gold. The influence of these futures markets has grown spectacularly along with their trading volumes. During 1975, the first full year of trading, approximately 900,000 gold contracts were traded in the US markets. Last year a total of 11 million contracts were traded, representing approximately 34,400 tons of gold or 138 tons of gold daily on average. Looking at such volumes in the context of a total supply of physical gold in 1980 of only about 1,074 tons, excluding scrap, the dominance of the futures markets rather than the physical bullion markets in short-term price determination in hardly surprising.

Although the current market is described as weak it is showing remarkable resilience in the face of high real interest rates, particularly in the US, and there is evidence of increasing offtake by the industrial sector. This underlying long-term strength reflects the compensatory nature of the various market sectors and the likely trend of market fundamentals over the next few years. It bodes well for the future, irrespective of the short-term fluctuations which will undoubtedly persist. In this connection it is worth noting that last year's volatility was relatively of the same order as that seen in 1973-74.

It is estimated that the total supply of gold to the market during 1980 amounted to only about 1,074 tons, excluding scrap, compared with 1,765 tons in 1979. Net supplies by the major producing nations, South Africa and Russia, declined to approximately 645 tons and 80 tons respectively after 703 tons and 230 tons in 1979. The high gold price enabled South African producers to exploit lower grade ores and the Reserve Bank to withhold gold from the market. It also assisted the communist bloc to achieve its foreign exchange requirements with significantly lower sales volumes. Despite the continuing expansion of the South African gold mining industry, supplies from this source are unlikely to increase significantly due to the lower grades being mined; however, Soviet sales could possibly return to previous levels should economic circumstances so dictate.

Elsewhere in the world, production is estimated to have increased from 260 tons in 1979 to approximately 280 tons. Intensified exploration activity and efforts to recover by-product gold should result in increased production but this increase should be more than offset if central banks in producing countries decide to withhold greater volumes of gold from the market.

The IMF supplied only 69 tons in 1980 in the final auction sales of its four-year programme, compared with 170 tons in 1979. Despite the substantial quantity of gold still held by the IMF it seems unlikely that further supplies will be made available from this source, at least for the foreseeable future.

Partly as a result of consumer resistance to higher and more volatile prices and partly because of the trend towards lighter and lower caratage jewellery pieces, new gold offtake by jewellery manufacturers is estimated to have fallen to about 350 tons or less than half that of 1979 levels.

Renewed demand nevertheless may be expected as the market eventually adjusts to higher price levels and as the availability of scrap gold declines.

After a slump early in the year sales of official coins resumed later, although at lower tonnage levels than before. There is still good demand for the one ounce coins even though they have tended to become too expensive for the smaller investor. In September, therefore, Intergold launched a series of fractional Krugerrands containing precisely one-half, one-quarter and one-tenth of an ounce of fine gold. Judging from the market's initial reaction these coins are proving attractive to a broader spectrum of investors and, because they are aimed at a different market, they have not affected demand for the one ounce Krugerrand. Sales of all official coins are estimated to have totalled 200 tons in 1980, nearly half of which were Krugerrands.

In monetary terms, investment demand grew substantially with tonnage remaining relatively constant. If purchases and retentions by central banks and other monetary authorities are added to investment demand it can be seen that gold has regained a large measure of its importance as the asset of last resort.

Unless official sales resume on a large scale, and this is unlikely, it would seem that demand will match the supply from all sources with price fluctuations being the determining factor. In the longer term these fundamental considerations will govern the development of the gold market. Notwithstanding short-term speculative influences, I believe that 1981 will prove to be a year during which the market stabilises and, in the longer term, supply-demand fundamentals will ensure that the trend will remain upward.

URANIUM

Uranium prices in the spot market fell dramatically during the year and opportunities for doing new short-term business at reasonable prices were further reduced. In the recessionary economic climate affecting most of the developed world, projections of demand for additional power generation have slipped considerably. Although exploration activity is now diminishing, a number of high-grade orebodies have been discovered in various countries during the past few years and existing producers have extended their production capacity. As a result, an oversupply is developing and this is affecting uranium consumers' perceptions of the security of their future supplies. Arising from these altered perceptions and the influence of high interest rates early in the year, certain electricity utilities in the US began to dispose of surplus inventory and this accelerated the market's decline.

At current price levels, and with production costs escalating rapidly, more and more primary producers of uranium will be forced out of business while producers of by-product uranium and new, low-cost primary producers take their place in the market. Such a trend is already evident and the balance between supply and demand will consequently be re-established eventually, although it is anticipated that uranium inventories will continue to increase in the medium term.

In the longer term there can be no doubt that utilities must start ordering new generating capacity again to maintain a sufficient generating reserve and to match the slow growth in electricity demand. They must look, also, to the replacement of obsolete capacity and, later, oil-fired stations. The trends of supply and demand are, therefore, bound to change direction again. The difference this time will be that projections of nuclear power growth will be rather more realistic than in the past and prices more in line with market fundamentals.

Another factor with which South African uranium producers must contend is the desire of many of the utilities to diversify their supply sources. The fact that Australian producers are receiving permission to proceed with the development of their mines has presented the utilities with this opportunity which has been compounded by the aggressive pricing policy adopted by the Australians.

The uranium spot price has fallen substantially since mid-1979; however, the steady appreciation of the rand relative to the dollar has accentuated this decline in South African money terms. Given a situation in which uranium over-supply is projected for some years, it is difficult to see how spot prices can improve and pressure from our present customers to modify our existing contracts appears a likely corollary. I believe that, at best, it will be possible to maintain present contract prices only in current money which means, of course, a decline in real terms.

LABOUR

In my review last year I made reference to the shortage of skilled workers in South Africa; this shortage, far from diminishing, has been aggravated by increased activity in the industrial and construction sectors of the economy to such an extent that I now regard the situation as becoming critical. It is hoped that recruiting campaigns initiated both locally and abroad towards the end of last year will help to ease the situation.

However, I feel it is important that all those concerned with the industry should recognise that any lessening of the shortage of skilled manpower by the recruitment of trained artisans can only be a temporary measure, and that in the long term the only acceptable solution is the proper training and utilisation of South Africa's total manpower resources. The period of initial training of apprentices will have to be reduced further, without in any way changing the accepted standards, by giving apprentices the basic skills which will be consolidated and enhanced by continuous training programmes throughout the early years of their careers. A decision has been taken to construct a new centre devoted to apprentice training in Carletonville to service mines in that area. This will supplement the expanded facilities at Welkom and at this mine and will enable the ratio of apprentices to artisans to be increased to 1:2.

The black-white wage gap in the mining industry is closing slowly, but there will have to be further substantial increases in the real earnings of the lowest paid workers to raise them to the rates paid in heavy industry and to provide an acceptable standard of living for their families.

Mr. N. F. Oppenheimer: potential new gold mine at S.A. Land

I commented in my review last year on the possibilities which exist for the establishment of a gold mine in an area around the old No. 5 shaft of the defunct Van Dyk Consolidated Mines Limited to the west and south of Sallies' workings. In preparing the detailed feasibility study, account has had to be taken of contradictory geological and sampling information which has only recently come to light and which suggests that the extent and value of the ore reserves and the potential reserves might not be as great as was thought previously to be the case. However, it is a well-known feature of the East Rand that it is especially difficult to estimate ore reserves because gold deposits are concentrated generally in payshoots of irregular width which become narrower towards the south and tend to be erratic. After exhaustive research it is considered that an opportunity may exist, in the long term, for the development of a new gold mine and I believe that this opportunity should be examined further. It has been decided, as a first step, to conduct a comprehensive underground sampling programme which, if successful, may be followed by a major capital expenditure project. The sampling programme will involve the installation of a hoist in the Van Dyk No. 5 sub-vertical shaft together with the necessary electrical reticulation and pumping facilities to de-water the underground workings.

It is not possible for the company to finance both the cost of the sampling programme as well as current capital projects or those which will be embarked upon shortly, from cash flows generated by its normal operations. In view of this it is intended to make a rights offer to shareholders to raise an amount considered adequate to cover the anticipated costs. Detailed proposals are being prepared and will be circulated to members shortly.

The Annual General Meetings of these companies, all of which are incorporated in the Republic of South Africa, will be held in Johannesburg, South Africa, on April 21, 1981. Copies of their annual reports may be obtained from the London Office at 40 Holborn Viaduct, London EC1P 1AJ or from the office of the United Kingdom Transfer Secretaries, Chartered Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

COMPANY ANNOUNCEMENT

The South African Land & Exploration Company Limited

Incorporated in the Republic of South Africa

PROPOSED RIGHTS OFFER TO MEMBERS

The attention of members is drawn to the chairman's review for 1980 which is advertised in the Press today, and also to the annual report which was posted to members on March 30 1981. It will be noted from these documents that it is intended to make a rights offer of shares to finance underground sampling from the old Van Dyk No. 5 shaft. The technical advisers estimate that approximately R13,000,000 will be required to cover the costs both of the proposed underground sampling programme and of other capital projects either currently in progress or to be embarked upon shortly.

The directors have accordingly decided to make the offer to members registered in the books of the company at the close of business on Friday, April 24 1981 (see note below), and to holders of share warrants to bearer issued by the company. Applications will be made to The Johannesburg Stock Exchange and The Stock Exchange in London for listings of the shares to be offered, which will, upon issue, rank pari passu in all respects with the existing shares in issue.

Details of the offer, including the number of shares to be offered, the ratio and the issue price, will be published in the Press in due course. A circular containing a copy of a report by the company's technical advisers, together with full details of the offer, will be posted to members from the Johannesburg and United Kingdom offices of the company. The circular will be accompanied by renounceable letters of allocation in respect of members' rights arising from their holdings in the company on April 24 1981.

In order to participate in the offer, holders of share warrants to bearer must lodge their share warrants and talons at the offices of the company's transfer secretaries in the United Kingdom. Certificates for the new shares to be issued in terms of the offer will be issued in registered form only.

Note: The offer will not be registered with the Securities and Exchange Commission, Washington. The offer will not be open for acceptance by persons with registered addresses in the United States of America. The rights which are thus not available for acceptance by such persons will, if possible, be sold on the London or Johannesburg stock exchanges through an independent merchant bank for the account of such persons, and details of the arrangements in this regard will be sent to members with registered addresses in the United States of America. If such rights are sold on The Johannesburg Stock Exchange then in terms of South African exchange control regulations the proceeds will constitute financial rand.

London Office:
40 Holborn Viaduct,
London EC1P 1AJ.

Johannesburg
March 31 1981

Copies of this announcement are being posted to all members at their registered addresses.

A CIRCULAR TO MEMBERS

Elandsrand Gold Mining Company Limited

Incorporated in the Republic of South Africa

ADDITIONAL CAPITAL REQUIREMENTS

Increase of Capital and Proposed Rights Offer

In the directors' report for 1978, reference was made to the arrangements relating to the financing of post-production expenditure and the fact that much would depend on gold production from early stoping operations and on the prevailing gold price. It was hoped that sufficient funds would be realised to meet the continuing capital expenditure programme necessary to bring the mine to full production; any shortfall would be covered by bridging finance arranged with Anglo American Corporation of South Africa Limited.

The company at present has loan facilities of R40 million from Anglo American Corporation of South Africa Limited. Drawings against these facilities bear interest at a rate one per cent above the minimum overdraft rate charged by the commercial banks from time to time, and there is a commitment charge of one per cent per annum on the undrawn balance. As at February 28 1981, the total amount borrowed in terms of these arrangements amounted to R38,614,000.

The mine's priority programme is the urgent development of a sub-vertical shaft system on which capital expenditure is proceeding as fast as possible. When completed, the system will facilitate the exploitation of the higher-grade reef at lower levels in order to realise fully the mine's considerable profit potential. In the circumstances, the directors consider it appropriate to raise the further capital required to bring the mine to its full production of 180,000 tons a month by way of a rights offer. The amount which it is proposed to raise will be about R120 million.

The company at present has an authorised capital of R16,000,000 in 80,000,000 shares of 20 cents each, of which 75,484,238 shares have been issued. It is proposed to convene a general meeting of members to follow the annual general meeting scheduled for April 21 1981, at which members will be asked to consider a special resolution increasing the authorised capital to R21,000,000 in 105,000,000 shares of 20 cents each. Subject to the passing of this resolution, the company will then have 29,515,762 shares in reserve, which will give the directors the necessary flexibility in fixing the terms of the proposed offer.

At the general meeting, members will be asked also to consider an ordinary resolution placing the reserve shares under the control of the directors and authorising the directors to make appropriate arrangements for the subscription by underwriters of any shares offered by way of rights issues and not taken up by the persons entitled thereto, and of any shares resulting from the consolidation of any fractional entitlements.

No portion of the capital of the company is under option or, conditionally or unconditionally, committed to be put under option. No capital has been issued since the date of the last published audited financial statements, nor is it proposed (other than as set out in this circular) that any capital be issued for cash or otherwise, nor have any commissions, discounts, brokerages or other special terms in connection with the issue or sale of any capital of the company been granted.

Subject to the passing and registration of the special resolution increasing the company's authorised capital, it is proposed that the rights offer should be made to members registered in the books of the company at the close of business on Friday, April 24 1981, the "record date" (see note below). Applications will be made to The Johannesburg Stock Exchange and The Stock Exchange in London for listings of the shares to be offered, which will, upon issue, rank pari passu in all respects with the existing shares in issue.

Details of the offer, including the number of shares to be offered, the ratio and the issue price, will be published in the Press in due course. A circular containing a copy of a detailed report by the company's technical advisers on the progress of the mine, together with full details of the offer, will be posted to members from the Johannesburg and United Kingdom offices of the company. The circular will be accompanied by renounceable letters of allocation in respect of members' rights arising from their holdings in the company on the record date.

Note: The offer will not be registered with the Securities and Exchange Commission, Washington. The offer will not be open for acceptance by persons with registered addresses in the United States of America. The rights which are thus not available for acceptance by such persons will, if possible, be sold on The Stock Exchange in London or The Johannesburg Stock Exchange through an independent merchant bank for the account of such persons, and details of the arrangements in this regard will be sent to members with registered addresses in the United States of America. If such rights are sold on The Johannesburg Stock Exchange then in terms of South African exchange control regulations the proceeds will constitute financial rand.

Increase in borrowing powers

The borrowing powers of the directors are at present limited by the company's articles of association to a maximum of R40 million. It is clear that these borrowing powers, which were fixed when the company was incorporated in 1974, are inadequate under present conditions.

At the general meeting members will therefore be asked to consider a special resolution amending Article 38 of the company's articles of association in such a way as to give the company minimum borrowing powers of R100 million.

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Elandsrand Gold Mining Company Limited will be held at 44 Main Street, Johannesburg, on Tuesday, April 21 1981 at 09h15 or immediately following the termination of the annual general meeting of the company convened for 09h00 on that day, whichever is the later, for the following purposes:

1. To consider and, if deemed fit, to pass the following resolution as a special resolution:
"That the authorised capital of the company be and it is hereby increased from R16,000,000, divided into 80,000,000 shares of 20 cents each, to R21,000,000 divided into 105,000,000 shares of 20 cents each, by the creation of 25,000,000 shares of 20 cents each, which shares shall, upon issue, rank pari passu with the existing shares of the company."

2. To consider and, if deemed fit, to pass the following resolution as an ordinary resolution:
"That, subject to the passing and registration of the special resolution increasing the capital of the company from R16,000,000 to R21,000,000, the directors be and they are hereby authorised:
(i) To allot and issue all or any portion of the 29,515,762 unissued shares of a nominal value of 20 cents each in the capital of the company at such time or times, to such person or persons, company or companies, and upon such terms and conditions as they may determine, the aforesaid authority to remain in force until the next annual general meeting of the company;
(ii) to make arrangements on such terms and conditions as they may deem fit for the subscription by underwriters of:
(a) any shares offered by way of rights issues but not taken up by the persons entitled thereto; and
(b) any shares resulting from the consolidation of any fractional entitlements in respect of any shares issued in pursuance of a rights issue, provided that any rights to such shares which can be sold in nil-paid form on the Johannesburg and/or London stock exchanges during the period which they are quoted on such stock exchanges will be sold by the underwriters, and the net proceeds of any sale of such rights exceeding five rand in the case of any individual shareholder shall be paid to such shareholder. Any net proceeds of less than five rand per shareholder shall be paid to the company."

3. To consider and, if deemed fit, to pass the following resolution as a special resolution:
"That clause 38 of the company's articles of association be deleted and the following inserted in place thereof:
'38(a) Subject to the provisions of sub-article (b) hereof, the Directors may borrow or raise from time to time for such purposes of the Company such sums as they deem fit.
(b) The Directors shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company they can procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by the Group (excluding Inter-Group borrowings but including the principal amounts secured by any outstanding guarantees or suretyships given by any company in the Group for the share capital or indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised) shall not without the previous sanction of an ordinary resolution of the Company exceed the aggregate of:
(i) One hundred million rand, or
(ii) the total of:
(a) the nominal amount of the issued and paid up share capital for the time being of the Company (subject to any variations therein since the date of the last accounts referred to in this clause) and
(b) the aggregate of the amounts standing to the credit of all capital and revenue reserve accounts, any share premium accounts and the profit and loss accounts as set out in the consolidated balance sheet of the Company and its subsidiaries certified by the Company's Auditors and as attached to or forming part of the last accounts of the Company which shall have been drawn up to be laid before the Company in General Meeting at the relevant time;
whichever is the greater amount,
provided that no such sanction shall be required to the borrowing of any moneys intended to be applied and actually applied within ninety days in the repayment (with or without premium) of any moneys then already borrowed and outstanding and notwithstanding that the new borrowing may result in the abovementioned limit being exceeded.
For the purposes of the said limit the issue of loan capital shall be determined to constitute borrowing notwithstanding that the same may be issued in whole or in part for a consideration other than cash. For the purposes of this Article, "Group" shall mean "the Company and the subsidiary companies for the time being of the Company."
No lender or other person dealing with the Company shall be concerned to see or enquire whether this limit is observed.'"

The reasons for proposing the above special resolutions are given in the above mentioned circular, and the effects of the resolutions are apparent from the resolutions.

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend, speak and, on a poll, vote in his stead. A proxy need not be a member of the company.

The head office and United Kingdom transfer register and registers of members of the company will be closed from April 13 to 21 1981, both days inclusive.

By order of the board
Anglo American Corporation of South Africa Limited
Secretaries

per C. R. Bull
Divisional Secretary

Registered Office:	Postal Address:	London Office:
44 Main Street,	P.O. Box 61587	40 Holborn Viaduct,
Johannesburg 2001.	Marshalltown 2107.	London EC1P 1AJ.

March 30 1981

Newman-Tonks falls £0.6m in first half

ON TURNOVER £3.27m lower at £16.21m, pre-tax profits of Newman-Tonks Group, engineer and hardware manufacturer, sank to £520,000 in the half year to January 31, 1981, compared with £1.12m.

Barring unforeseen circumstances, says Mr. M. L. B. Wright, the chairman, trading profits should increase in the second half. All the group's UK companies have been affected by the recession and there is still considerable pressure on margins, but cost savings effected in recent months should begin to bear fruit.

In addition, the group's two main overseas profit contributors, in Australia and South Africa, although below budget in the first half, are reasonably confident of meeting their annual targets.

In the last full year, taxable profits were £1.87m, down from £3.05m, after charging severance and redundancy payments of £309,000. The first-half surplus this time includes £100,000 from the sale of surplus property.

After tax of £167,000 against £583,000, the attributable surplus came through at £329,000 (£512,000). The interim dividend is held at 1.65p net—last year's final was 3.45p and the directors say this year's will be determined by the overall results for the 12 months and prospects for 1981-1982.

Arncliffe down

SECOND half pre-tax profits of Arncliffe Holdings, property developer and building contractor, improved from £318,322 to £325,477, but figures for the year to October 31, 1980 were lower at £483,972 compared with £656,176. Turnover rose from £4.77m to £5.46m.

Mr. Manny Cussins, the chairman, says since the year-end sales have improved considerably and the number of houses and flats held available for sale have been significantly reduced. He looks to 1981 with confidence.

Interest charges were up from £48,000 to £217,000. Tax was £82,667 (£709), and stated earnings per 10p share were down to 8p (13.1p). The final dividend is unchanged at 1.54p for a same-again total of 2.66p.

Mr. Cussins says development continues on some 20 sites in Yorkshire, Humberside and Derbyshire. The company has not experienced any difficulty in arranging mortgages for clients, and sales are satisfactory.

Freemans ends some £5m lower

TAXABLE profits of Freemans (London SW9) have fallen to £10.64m for the 53 weeks to January 31, 1981, compared with £15.52m for the previous year.

On a CCA basis the pre-tax result turned in at £4.3m. Tax took £2.83m, against £3.09m, but a final dividend of 2p net raises the total from 3.5p to 3.7p. Last year's total cost £2.44m.

Full year sales rose to £260.13m (£231.25m) of which VAT accounted for £30.69m (£22.79m). The directors describe second half turnover as poor. It advanced by just under 10 per cent over the disappointing second *half of 1979*. However, sales did benefit from rather better Christmas demand than seemed likely.

This helped second half profits to exceed the forecast of slightly below £5m, made at midway when a fall from £7.8m to £5.1m was *reported*. But it did little to change the low level of such profit as a percentage of turnover. It is difficult, say the directors, to see how this important percentage measure of performance can be improved significantly until there is some real increase in consumer spending.

They report that this mail order company started the current year with a certain amount of cautious optimism. The Spring/Summer catalogue has been well received and is showing an encouraging trend back towards clothing and footwear, although somewhat offset by a decline in demand for some other merchandise groups.

However, in the wake of the Budget, sales prospects have worsened and the board finds it impossible to judge with any degree of certainty the outcome for the current year. Expenses are increasing faster than price rises and, if allowed to run through, will further affect profitability.

The directors are therefore making efforts to contain costs, while continuing with expenditure that will directly increase sales potential.

The profit for the 53 weeks was struck after higher interest of £2.06m (£0.71m). Earnings per 25p share fell from 17.8p to 11.2p.

See Lex

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals.

TODAY

Interims:—Burndene Investments, Park Place, Peachey Property.

Finals:—American Trust, Appleyard, Booker, McConnell, Bunzl Pulp and Paper, Cape Industries, Dufay Bitumastic, F.C. Finance, Law Land, Molins, Olrex, Padang Senang Rubber.

FUTURE DATES

Interims:—

Equity Income Trust	Apr. 14
LWT	Apr. 2
Photo-Me International	Apr. 8

Finals:—

Breedon & Cloud Hill Lime Wks.	Apr. 3
Dewhirst (I. J.)	Apr. 15
Gen. and Comml. Invest. Trust	Apr. 9
Highcroft Investment Trust	May 7
J.B. Holdings	Apr. 2
KCA International	Apr. 7
London Brick	Apr. 8
Miller (Stanley)	Apr. 3
Wills (George)	Apr. 9

Amal. Estates loss higher

PROPERTY INVESTOR Amalgamated Estates increased its pre-tax loss for the half year to September 30, 1980 from £167,487 to £177,545 on increased turnover of £220,981, up from £182,866. There was again no tax charge for the half year.

The directors say the company has continued its policy of planned expansion, and they anticipate a substantial increase in net assets at the year-end. There was a substantial disposal *in the first half they say*, and had it not been treated as a released reserve, a major profit would have been shown.

The company has contracted to buy two properties and must raise £2m to complete them. Arrangements have been made to *provide this finance* but the company's borrowing limit would be exceeded.

The directors consider that it is in the company's best interests that borrowings in excess of the current limit to a maximum of £10m be authorised so further development can take place without seeking shareholders' approval for increased borrowing each time.

ELECTRIC AND GENERAL INVST.

Net income of Electric and General Investment Company was down from £398,361 to £379,685 in the nine months to February 28, 1981. Net asset value per 25p share is up from 120.2p to 154.1p, and stated earnings per share are 2.1p against 2.2p.

Gross income was £787,852 compared with £807,432, and there was a tax charge of £232,439 (£218,509).

Elandsrand new issue for £67m

A "RIGHTS" issue to raise about R120m (£67m) is planned by the young Elandsrand gold mine on South Africa's Far West Rand, while the veteran South African Land and Exploration ("Sallies") *intends to* raise some R13m by similar means.

Both offers will apply to shareholders registered on April 24; holders in the U.S. will not qualify and their "rights" will be sold on their behalf. The *terms* of the respective issues will be announced in due course.

Meanwhile, Elandsrand is to increase its authorised capital to R21m in 105m shares of 20 cents. This will provide it with 29.5m shares in reserve, giving "the necessary flexibility in fixing the terms of the proposed offer."

At the moment Elandsrand has drawn upon almost all the loan facilities of R40m made available by Anglo American Corporation. The new funds will be needed to maintain the capital development programme, particularly in the urgent development of the sub-vertical shaft system which will enable the higher grade reefs at the lower levels to be mined.

In his statement with the annual report the chairman, Mr. Harry Oppenheimer, comments on the various technical problems which resulted in the mine's gold output last year falling to 24 per cent below his forecast. But good progress is being made in opening up the mine towards the lower levels accessible from the present *shaft system*.

Mineable ore reserves will not be established on these lower levels until the end of this year. The production forecast for 1981 is 1.2m tonnes milled at a grade of 5.08 grammes gold per tonne to produce 6,096 kilogrammes gold. Last year's *gold production* amounted to 5,250 kilogrammes. Capital expenditure for 1981 is put at R32.5m.

A year ago "Sallies" considered that the potential for a new gold mine existed around the old No. 5 shaft at the defunct Van Dyk property to the west and south of "Sallies" workings. The latter's chairman, Mr. Nicholas Oppenheimer, says that recent information suggests that the extent and value of the ore reserves in the Van Dyk area might not be as great as was *previously thought*.

It is now reckoned that an opportunity may exist in the long-term for a new mine and as a first step there is to be a comprehensive underground sampling programme which is expected to take about two years *and cost some* R10m. The proposed rights issue is designed to raise funds for this and other capital projects.

Gold trend will 'remain upward'

BY KENNETH MARSTON, MINING EDITOR

A QUIETLY confident view of the outlook for gold is expressed by chairmen of the Anglo *American Corporation* group gold mines in their annual statements. These were written earlier this month when the price was under $470 per ounce, before the Polish crisis prompted its recovery to above $500.

Unless there is the unlikely resumption of official gold sales, such as those of the U.S. Treasury, demand for the metal is expected to match supply and it is believed that 1981 "will prove to be a year during which *the market stabilises* and, *in the* longer term, supply-demand fundamentals will ensure that the trend will remain upward."

Last year the average price of gold doubled to $614, but *fluctuated* sharply between a high of $850 to a low of $474. *This volatility* reflected speculative activity via the gearing opportunities offered by the forward markets.

The dominance of the futures markets rather than the physical bullion markets on short term price movements is not surprising *in view* of the fact that last year 11m contracts were traded on the futures markets which represented some 34,400 tonnes of "paper" gold compared with a total supply of physical gold of some 1,074 tonnes, excluding scrap.

The chairmen point out that the 1980 gold supply of 1,074 tonnes compared with 1,765 tonnes in 1979. Net supplies from South Africa and Russia declined to approximately 645 tonnes and 80 tonnes, respectively, compared with 703 tonnes and 20 tonnes in 1979.

Because of the high prices both countries could afford to sell less of their production and the South Africans moved to a policy of mining more of the lower grade ores. Because of this policy the expansion of the South African industry is unlikely to result in any significant increase in gold supplies, it is stated, but Soviet sales could return to previous levels if economic circumstances required this.

It is estimated that partly because of price resistance, new gold offtake by jewellery manu*facturers last year fell to about* 350 tonnes, or less than half that of 1979. But buying from this source is expected to recover as the market adjusts to higher prices and the availability of scrap gold declines. There is already evidence of increasing offtake by the industrial sector.

The chairmen are less happy about uranium. They comment on the dramatic fall in prices on the spot market—in line with the lower projections of demand for power generation—and the developing over-supply position. With production costs rising, it is reckoned that many primary producers of uranium will be forced out of the *market*. Over-supply of uranium is expected to last for some years.

South Africa's by-product suppliers of uranium, such as Vaal Reefs, can thus expect to do no more than maintain present contract prices in current money terms. Fortunately, Vaal Reefs is far more dependent on gold and last year became the first South African mine to lift gold revenue to R1.1bn, producing almost 70 tonnes—a total only exceeded by the Russian Muruntau complex with 80 tonnes.

Mr. Dennis Etheridge says that Vaal Reefs is now considering an increase in ore production *of 60,000 tonnes a month*—*it* averaged 716,250 tonnes last year—while planned gold production for 1981 is a little down at 67,200 kgs and that of uranium at 1,700 tonnes compared with 1,758 tonnes last year. Capital spending for 1981 *is put* at R110m.

Western Deep also expects to produce less gold this year, some 43,646 kgs compared with 45,621 kgs in 1980 but the chairman, Mr. Gerald Langton, is confident of holding costs below the general inflation rate.

Southvaal expects to produce this year 28,325 kgs gold and 750 tonnes of uranium compared with 30,270 kgs and 773 tonnes, respectively. Capital spending is forecast at R54m.

Federated Land lower

FOLLOWING A setback at mid-year from £626,000 to £487,000 Federated Land, the London-based property development group, finished 1980 with taxable profits lower at £927,000, compared with £1.11m.

However, the dividend for the year is being stepped up from 3.15p to 3.35p net with a final payment of 2.25p (2.15p), and net asset value per 25p share is shown as 140p (121p).

The fall in profits *is blamed* by the board on the high level of interest rates which prevailed during the year (charges rose from £1.58m to £2.17m) and the company's policy of writing off interest as it accrues.

They say this factor particularly applied to the Leatherhead development—the financing of which will continue to be a factor affecting next year's results, although they add that this development will make a positive contribution to profits from 1982 onwards.

Turnover for the past year was lower at £10.59m (£13.33m) but rental income showed a 25 per cent increase, from £809,000 to £1.04m, which arose mainly from the company's Hempstead development which is now fully let and trading satisfactorily.

The directors anticipate increased rental income in future years from the company's expansion of its involvement in commercial development.

After a higher tax charge of £189,000 (£177,000) stated earnings per share declined from 8.8p to 6.9p.

The net balance emerged at £738,000, compared with £3.08m—last year's figure being after an extraordinary credit of £2.15m, against nil this time.

BASE LENDING RATES

A.B.N. Bank	12 %	■ Guinness Mahon	12 %
Allied Irish Bk.	12 %	■ Hambros Bank	12 %
American Express Bk.	12 %	■ Hill Samuel	§12 %
Amro Bank	12 %	C. Hoare & Co.	†12 %
Henry Ansbacher	12 %	Hongkong & Shanghai	13 %
AP Bank Ltd.	12 %	Keyser Ullmann	12 %
■ Arbuthnot Latham	12 %	Knowsley & Co. Ltd.	14 %
Associates Cap. Corp.	12 %	Langris Trust Ltd.	12 %
Banco de Bilbao	12 %	Lloyds Bank	12 %
BCCI	12 %	Mallinhall Limited	12 %
Bank of Cyprus	12 %	Edward Manson & Co.	13 %
Bank of N.S.W.	12 %	Midland Bank	12 %
Banque Belge Ltd.	12 %	■ Samuel Montagu	12 %
Banque du Rhone et de la Tamise S.A.	12½ %	■ Morgan Grenfell	12 %
Barclays Bank	12 %	National Westminster	12 %
Beneficial Trust Ltd.	13 %	Norwich General Trust	12 %
Bremar Holdings Ltd.	13 %	P. S. Refson & Co.	12 %
Brit. Bank of Mid. East	12 %	Rossminster	12 %
■ Brown Shipley	12½ %	Ryl. Bk. Canada (Ldn.)	12 %
Canada Perm't Trust	13 %	Slavenburg's Bank	12 %
Cayzer Ltd.	12 %	E. S. Schwab	13 %
Cedar Holdings	12 %	Standard Chartered	‖12 %
■ Charterhouse Japhet	12 %	Trade Dev. Bank	12 %
Choulartons	14 %	Trustee Savings Bank	12 %
C. E. Coates	12 %	TCB Ltd.	12 %
Consolidated Credits	14 %	United Bank of Kuwait	12 %
Co-operative Bank	*12 %	Whiteaway Laidlaw	12½ %
Corinthian Secs.	12 %	Williams & Glyn's	12 %
The Cyprus Popular Bk.	14 %	Wintrust Secs. Ltd.	12 %
Duncan Lawrie	12 %	Yorkshire Bank	12 %
Eagil Trust	12 %		
E. T. Trust Limited	14 %		
First Nat. Fin. Corp.	16½ %		
First Nat. Secs. Ltd.	16 %		
Robert Fraser	12 %		
Antony Gibbs	12 %		
Greyhound Guaranty	12 %		
Grindlays Bank	‡12 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 9%, 1-month 9¼%. Short term £4,000/12 months 11.85%.

† 7-day deposits on sums of £10,000 and under 9%, up to £50,000 9½%, and over £50,000 10½%.

‡ Call deposits £1,000 and over 9%.

§ Demand deposits 9½%.

‖ 21-day deposits over £1,000 10½%.

EUROPEAN OPTIONS EXCHANGE

Series		June Vol.	June Last	Sept. Vol.	Sept. Last	Dec. Vol.	Dec. Last	Stock
GM C	$50	3	4⅝	—	—	—	—	$53¼
GM C	$60	2	1¼	—	—	—	—	"
		April		July		Oct.		
ABN C	F.300	5	1.50	9	5	—	—	F.287,50
ABN C	F.320	11	0.30	—	—	—	—	"
AKZO C	F.17.50	8	3.20	5	3.80	—	—	F.21
AKZO C	F.20	20	1.20	25	2.10	10	2.80	"
AKZO C	F.22.50	20	0.30	44	1.10	12	1.90	"
AKZO P	F.20	—	—	5	1	15	1.50	"
AKZO P	F.22.50	—	—	5	2.20	—	—	"
AMRO C	F.55	17	1.20	—	—	—	—	F.55.90
HEIN C	F.60	5	1	8	2.50	—	—	F.58.20
HOOG C	F.20	—	—	—	—	4	1.80	F.17.90
IBM C	$65	7	1⅛	—	—	—	—	$61⅛
IBM C	$70	—	—	1	1⅞	1	3	"
IBM P	$60	—	—	10	2 1/16	1	3⅜	"
KLM C	F.60	1	31.50	—	—	—	—	F.91
KLM C	F.65	1	25.80	—	—	—	—	"
KLM C	F.70	48	21.20	—	—	—	—	"
KLM C	F.80	84	11	22	13.40 A	—	—	"
KLM C	F.90	91	6.10 B	9	9.80 B	16	12.50	"
KLM C	F.100	134	2.90 B	124	6	22	8.70	"
KLM C	F.110	11	1.30	55	3.20	—	—	"
KLM P	F.70	—	—	2	1.60	—	—	"
KLM P	F.80	16	1.40 A	13	4	1	5.50	"
KLM P	F.90	55	4.30	13	7.40	—	—	"
KLM P	F.100	26	11.20	6	14	15	14.50	"
KLM P	F.110	1	22 A	—	—	—	—	"
NATN C	F.120	6	2.80	2	5.50	7	7	F.121,50
NATN C	F.125	20	0.90	—	—	—	—	"
NATN C	F.130	—	—	4	1.10	—	—	"
NATN P	F.120	—	—	3	2.50	—	—	"
PETR C	Fr.5000	—	—	—	—	1	280	Fr.4830
PETR C	Fr.5500	—	—	2	105	—	—	"
PHIL C	F.15	55	4.20	—	—	—	—	F.19
PHIL C	F.17.50	15	1.70	18	2.10	40	2.30	"
PHIL C	F.20	—	—	57	0.90	287	1.20	"
PHIL P	F.17.50	—	—	10	0.60	—	—	"
PHIL P	F.20	—	—	10	2.20	—	—	"
POLA C	$30	1	1½	—	—	10	4⅝	$30
RD C	F.85	11	9 A	—	—	—	—	F.93.40
RD C	F.90	29	5.50	10	7.50	—	—	"
RD C	F.95	108	2.20	10	5	—	—	"
RD C	F.100	84	1	130	3.20	37	4.90	"
RD C	F.110	12	0.10	8	1	—	—	"
RD C	*F.120*	—	—	20	0.40	—	—	"
RD P	F.85	4	0.10	—	—	—	—	"
RD P	F.90	397	0.90	13	3	4	5	"
RD P	F.95	226	2.80	62	5.70	—	—	"
RD P	F.100	81	6.70 B	28	9.80	—	—	"
RD P	F.110	20	16.60 B	7	18	2	18	"
UNIL C	F.130	25	6.50	12	7.90	—	—	F.136
UNIL C	F.135	—	—	10	3.50	28	5.20	"
UNIL P	F.130	—	—	10	2.80	—	—	"
XERO C	$60	—	—	30	3½	—	—	$55½
		May		Aug.		Nov.		
SIEM C	DM.240	—	—	20	11	—	—	DM244,80
SIEM C	DM.260	—	—	—	—	20	6.50	"
SIEM C	DM.280	—	—	10	1	—	—	"
SLUM C	$110	—	—	2	6½	—	—	$101⅜
VW C	DM.170	—	—	10	1	—	—	DM156,50

TOTAL VOLUME IN CONTRACTS 3017

A=Asked B=Bid C=Call P=Put

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Barclays 1980

The impact of high interest rates.

The Annual General Meeting of Barclays Bank Limited will be held in London on April 29th, 1981. The following are extracts from the address to the Stockholders by the Chairman, Sir Anthony Tuke, for the year 1980.

Our profits of £523·5 million are about the same as in 1979 and can be regarded as satisfactory. In part they reflect the fact that the clearing bank has enjoyed the benefit of high interest rates in this country though some of this benefit has been eroded by increased costs. These must concern us when rates come down, as they almost certainly will during the next few months. In addition, our customers have, not surprisingly, been quick to realise the advantage of placing funds on interest bearing deposit rather than leaving them on current account.

We have during the last few months been subject to a degree of criticism, mainly in the political field, for what are called large windfall profits. This is not entirely surprising since throughout history lenders of money have never been all that popular. In the past, however, when a country has suffered a major recession its bankers have suffered also but this recession is different, with high interest rates ensuring that the tribulations of industry are not shared by the banks. Indeed it would not be altogether unreasonable for our borrowing customers to go further and observe that some of their profits are being absorbed by high interest rates which find their way into the profit and loss account of the banks; but these high rates are not of our making as they are part of the Government's policy and I am sure our stockholders expect the Board and management of the bank to run their affairs competently and prudently, whatever the state of the financial wicket.

A recession with high rates for any length of time invariably brings with it a sharp increase in our provisions and stockholders will see that we have had to set aside £102·9 million this year for specific provisions, plus a further £31·6 million for what we call general provisions against lendings already in our portfolio but not yet identified as doubtful. These increased bad debts are one important factor which must be set off against the benefit the clearing bank receives from high rates. Even more important is the effect these high rates have on other parts of our Group. They are a disadvantage to Mercantile Credit Company, our consumer finance arm, and they are a disadvantage to Barclaycard, both of which raise almost all their funds in the market. Apart from that, Barclays Bank International gets very little benefit from high rates in this country and obviously suffers from a strong pound which some people consider is a corollary of high rates. So looked at from the point of view of the Group as a whole and bearing in mind the substantial contribution these divisions make, it is particularly encouraging that there is a strong underlying level of profitability on which we can rely when interest rates fall to more acceptable levels.

Bankers have an additional responsibility in today's conditions and that is to do everything possible to see their customers through the present rough water, in some cases going beyond the bounds of normal banking judgment. This we are certainly doing in a number of areas and we hope thus not only to preserve the jobs of men and women who might otherwise be unemployed but also to preserve worthwhile businesses for the future.

International

On the international side, we have had a good year, especially when one looks at the strength of sterling against the other main currencies in which we trade. The satisfactory profits of the clearing bank have enabled us to capitalise and strengthen BBI's policy of expansion and diversification in the more stable growth areas of the world. This not only broadens the foundations of the Barclays Group but will provide important sources of foreign earnings for the country when the flow of North Sea oil is reduced.

In the United States we have in the past two years invested about $400 million. In 1980 Barclays-AmericanCorporation took over 138 offices of Beneficial Corporation and in December completed the purchase of the finance company subsidiary of the very important Aetna Life and Casualty Company. This means that BarclaysAmericanCorporation now has 484 branches in no less than 36 states with balance sheet footings of more than $2 billion and is thus becoming a real force in the market. We also acquired 31 branches of Bankers Trust in Long Island for Barclays Bank of New York and have recently opened offices of BBI in Miami and Seattle, in addition to those we already have in eight other cities. In the Far East we have acquired the minority holding in Trident International which will enable the company, under its new name Barclays Asia Limited, to provide its merchant banking services in support of the Group throughout the region.

A significant worry facing international banks today is what is called country risk. This is partly political but the greater risk is because a number of less developed countries, which are already suffering from the recession affecting the developed countries' ability to buy their products, might, however hard they try, be unable to pay the ever increasing cost of their oil imports. These less developed countries could, as a result, find difficulty in servicing existing loans. Our responsibility to stockholders forces us to take a realistic view as to how much of the Bank's capital and reserves should be at risk to this or that country. This is a problem to which we are constantly alive and in order to improve our ability to monitor the level of risks which we adopt in different countries and also in different industries, we have recently revised the structure of our international lending lines and gathered them together in a Central Advances Department in London. We are confident that this enables us to combine prudence with a continued ability to seek out and grasp attractive opportunities for business around the world.

World recession

The Brandt Commission report points clearly to the disastrous results of what has been called "oil-fired stagflation" throughout the world. It is a strange and regrettable fact that whereas the comparable standard of living of the 20 richest countries of the world narrowed considerably during the last 25 years, the gap between us and the 30 or 40 poorest countries continues to widen, aggravated by the ever increasing price of oil. It would need a super-optimist to forecast that the price of oil and other energy will somehow come down. This is a fundamental change since the middle seventies and is almost certainly irreversible but surely the increasing gap between what is now called North and South is reversible; it is clearly in the interests of the North to see that it is, as we are traders and badly need to see an increase in world trade at a time of recession and high unemployment.

It will not be easy for the international banks to shoulder any more of the burden of recycling funds to the countries which need them most; there have recently been suggestions that the IMF and the World Bank might raise money from the market and then decide how to onlend it. They inevitably have more muscle than we have and also better access to details of the borrower's position. This would be a positive step forward and we in the private sector must recognise that there is a clear mutuality of interest between Governments, supra-national bodies and ourselves, in both the economically advanced and the less advanced countries in grappling with these critical issues.

Our Merchant Bank has had another satisfactory year. Its pre-tax profits, although marginally up on 1979, do not demonstrate the progress that has been made in the last two years. When it was established a number of years ago, we consciously took the decision to ensure it was closely identified with the rest of the Group. We did this in order to emphasise our intention to provide all the various financial services which might be required by our customers. Over the past two years we have continued to widen the range of its services by increasing the number and quality of specialists thereby improving the flow of profitable business to other parts of the Group. We have also strengthened the links between our merchant bank in London and our merchant banks operating abroad in South Africa, Australia, Hong Kong and elsewhere.

Of particular interest, given the concern shared in all quarters about the strength of the small and medium sized companies sector, is the growth of Barclays Development Capital Limited, which we set up specifically to provide new or replacement equity capital for private companies. Working closely with the clearing bank's local head office structure, this company is ready to assist with equity participation of £100,0[…] or more by way of replacement capital, or as part of a management buyout. Indeed, it is encouraging th[…] by 31st December 1980 Barclays Development Capital Limited had invested £2·79 million by way of equi[…] finance in the UK and that at the time of writing it has offered or invested a further £1·4 million.

The Trust Company continues to provide a most important service, both to the clearing ba[…] and to BBI. Traditionally it was confined, as its name suggests, to the administration of trusts and estat[…] and the provision of advice on personal income tax, but in recent years there has been considerable expa[…] sion in the corporate business sector, notably in pension fund and property management. Our Unico[…] trusts have done well this year and it is very satisfactory to see an increased contribution from the Tr[…] Company in 1980.

Social responsibility

Our stockholders will see in the Report and Accounts that in 1980 we made donations [...] £1,129,218 in this country. If one adds what our subsidiaries gave in various parts of the world, plus a propo[…] tion, at least, of our sponsorship budget, some of which almost amounts to patronage, we reach an overa[…] figure of £2,474,957. A further important contribution within the Group is the BBI Development Fu[…] which, since its foundation in 1970, has provided support totalling £2,089,659 almost entirely in the poor[…] countries in the world. Above all however, we must bear in mind that these funds do belong to our stoc[…] holders but we know well that they support us, particularly at a time of good profits, in returning to th[…] community a proportion of those profits.

As part of our policy, we allocate a substantial sum each year to what we call Social Responsibili[…] In these cases we actively seek causes worthy of support rather than wait until we are approached; as o[…] would expect we are not short of approaches and last year we received more than 4,000 appeals. During t[…] last few months, the Arts have figured prominently and clearly we should not neglect them, even thou[…] any support we can give is relatively insignificant in relation to the Arts Council's budget of £80 millio[…] Stockholders may however like to know that during 1980 we supported the Royal Opera House Cove[…] Garden, Sadler's Wells Royal Ballet, the Royal Shakespeare Company, the Mermaid Theatre and perha[…] most important of all since the very survival of the Company now depends on private patronage, t[…] D'Oyly Carte performances of the Gilbert and Sullivan operas. We are also sponsoring a new productio[…] at the English National Opera in 1981.

It is perhaps permissible for someone writing his last report to stockholders to look back, alb[…] briefly, over the last thirty five years and at the same time indulge in the luxury of peering into the eighti[…] Based on my experience during the 1950's and 1960's in the front line of money lending, I believe that la[…] of flexibility was our main weakness. We were all taught that the greatest sin of all was borrowing short a[…] lending long, and certainly the experience of some lesser banks in the middle 1970's seemed to underli[…] that particular sin. At the risk of being a heretic, however, I believe we were too wedded to the tradition[…] adage of what was and what was not "a banking proposition." Banking propositions now cover a much wid[…] spectrum and a number of new ideas have emerged during the last few years, but perhaps we should ha[…] grasped the medium term nettle twenty five years ago. This would have provided a valuable facility, not lea[…] to enable the smaller businesses to have easier access to money for modernisation and re-equipment. [...] failed to appreciate the paradoxical fact that our most stable and long term deposits are our current accoun[…] – technically repayable on demand. If we were slow to provide a flexible package we must also record t[…] fact that we had a ready ally in the Government of the day, whichever party was in power, since seldo[…] during the last 35 years have we been free of some sort of restriction on our lendings, whether qualitati[…] quantitative or both.

Prospects

What then does the future hold in store for the clearing bankers? I believe we must be prepar[…] to think of ourselves as universal providers of finance, at least in this country. With an extensive and expensi[…] network of branches, we must make sure that we are able to offer every form of finance for all our citize[…] and this will certainly include a mortgage. Even more important than the provision of finance, is the abili[…] to compete effectively for savings and we must make sure that we find means of marketing new schem[…] as they arise. One of our customers told me the other day that he felt the clearing banks were not sufficient[…] distinguishable from each other and one must admit that we often read in the papers that the "high stre[…] banks" have done this or that, as if we were all of the same mould; expressions like "shades of grey" com[…] to mind. This is not entirely fair but in the eighties we will have to face a challenge to create for ourselves [...] special ethos so that new ideas, both in the savings and the lending field and covering our private an[…] corporate customers, will come to be linked with one particular bank. Perhaps the only major original packa[…] that has emerged in the last fifteen years has been the birth of Barclaycard in 1966. It was not a particular[…] easy delivery but has now grown into a sturdy teenager and it is rather satisfactory to see that Chambe[…] Dictionary now includes Barclaycard as an accepted noun in our language.

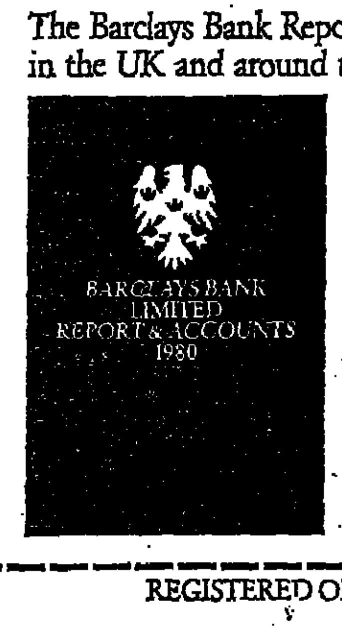
Any bank, particularly one as widely spread as we are, might claim to have the most up-to-da[…] computer equipment and premises as good as any in the world, but it will not face up to and match its com[…] petitors unless the men and women in the organisation are competent, loyal and hard working. Stockholde[…] are, I am sure, aware that the key element in the success of our Bank is the ability of our staff in more tha[…] 75 countries to accept the inevitable day-to-day aggravations and look after our customers cheerfully an[…] efficiently.

I hope we can claim that the Barclays' torch is burning brightly in 1981 and I am delighted th[…] our Board has asked Timothy Bevan to take it up after the Annual General Meeting in April. We have worke[…] closely together during the last twelve years and, like many of us, he has spent all his working life in Barclay[…] Stockholders will, I know, be particularly pleased that he will lead and serve the Bank in the years to com[…]

Anthony Tuke

Sir Anthony Tuke, Chairman of Barclays Bank Limite[…]

The Barclays Bank Report and Accounts gives a comprehensive review of the Group's activities in the UK and around the world. To obtain a copy, just send this coupon to the address below.



Name____________________

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FT

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Barclays Bank Limited,
54 Lombard Street,
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BARCLAYS

REGISTERED OFFICE: 54 LOMBARD STREET, LONDON EC3P 3AH. REG. NO. 48839.

Wereldhave and Cemp move into UK

BY MICHAEL CASSELL

Wereldhave, the Dutch property group, and Cemp International Property Investments of Canada have jointly formed a UK-based company and announced their first property purchase.

The new company is called Canadian Dutch Properties and both partners will have a half-stake in its equity and management. Wereldhave obtained a listing on the London Stock Exchange in December 1979 but has until now been reluctant to enter the UK investment and development market. In 1979 it failed in a bid to take over English Property Corporation.

The parent company of Cemp International Property Investments is Cemp Investments, a private Canadian company based in Montreal and owned by trusts of members of the Bronfman family. The company holds a 32 per cent stake in Seagram and has a 38 per cent holding in Cadillac Fairview, the Canadian property group.

In Britain, Cemp operates through Cemp Properties UK, which is currently developing a 70,000 sq ft office scheme at the corner of Broadwick Street and Poland Street in London W1.

The first investment by the new joint company is the purchase from MEPC for about £3m of Dorset House, London SE1, which lies on the south side of Blackfriars Bridge close to King's Reach.

International Publishing Corporation until recently occupied the 94,000 sq ft building, which is now to be completely refurbished at a cost of about £7m. Completion is planned for the summer of 1982 and no tenants have as yet been lined up for the space.

Canadian Dutch Properties will in future consider property development opportunities within the UK and elsewhere in Europe. Both partners are already active in West Germany and the U.S., while Wereldhave also has some exposure in the French property market.

Cemp traditionally concentrates on schemes which involve a significant element of development while Wereldhave has tended to favour straight property investment. Development projects in Europe will in future be considered by the new company and the respective partners will then be able to proceed alone if a joint approach is not agreed upon.

Cemp's real estate activities began in Canada in the early 1950s, developing office blocks and regional shopping centres mainly through the Fairview Corporation. In 1974, Fairview merged with two other public companies to form Cadillac Fairview, now one of the largest property companies in the world with gross assets in excess of £860m (at original cost less depreciation).

In 1973, Cemp decided to create property investment outside Canada and established Cemp International Property Investments of Canada. To date, CIPI has developed, for its own portfolio, shopping centres, office buildings and warehouses in West Germany, offices in New York and an office building in Amsterdam.

R.P. Martin shares halted

BY ROSEMARY BURR

SHARES in R. P. Martin, the City money brokers, were suspended yesterday morning at the company's request ahead of an announcement. A few hours later Bierbaum, the German money broker which holds a 15 per cent stake in Martin, announced the end of its association with Mr. Tom Whyte, former chairman of Triumph Investment Trust, and Mr. Gunter Kreissel, the German industrialist.

It was the continued presence in the Bierbaum group of Mr. Tom Whyte, who was instrumental in introducing the German brokers to Martin, which led to the collapse of bid talks between the two brokers last January. At that stage, Bierbaum was unwilling to end its association with Mr. Whyte, who held 7.45 per cent of Martin's shares.

Mr. Whyte said: "The Take-over Panel was informed yesterday morning that he, and Mr. Kreissel were no longer acting in concert with Bierbaum in respect of their shareholding in Martin."

Lord Remnant, joint managing director of Touche, Remnant, which holds 19.8 per cent of Martin's shares, said yesterday: "Touche is still prepared to increase its holding in Martin to 29.9 per cent provided the price is appropriate."

Martin's shares have soared from 109p after last December's announcement of Bierbaum's interest to yesterday's suspension price of 183p, which capitalises Martin at £7.5m.

In February, Martin unveiled a 150 per cent rise in pre-tax profits for the six months to December, 1980, to £705,000 against £282,000 for the comparable period. At that time Martin's chairman, Mr. M. Phelan, said that Martin now had the international base from which to expand organically and by prudent acquisition. Mr. Whyte and Mr. Kreissel each retain a 7.45 per cent stake in Martin.

Denbyware again says reject bid

Mr. George Robinson, the chairman of Denbyware has again written to shareholders urging them to reject the 80p a share cash offer from Crown House.

In his letter he confirms that negotiations are currently taking place with the partners of International Ceramics which may possibly lead to a sale.

He also tells them that the company has "every intention of paying a final dividend" for the year just ended and budgets for the coming year indicate "an improvement over the last 12 months."

LONDON TRADED OPTIONS

(Mar. 30 Total contracts 1,419)

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	360	18	2	38	—	48	—	376p
BP	390	8	50	24	10	32	—	"
BP	420	2	5	13	1	20	1	"
BP	500	½	6	4	10	—	—	"
Com. Union	160	7	1	15	15	21	—	162p
Com. Union	180	3	—	7	13	11	2	"
Cons. Gold	460	23	8	50	4	68	—	465p
Cons. Gold	500	—	—	35	3	45	—	"
Cons. Gold	550	—	—	20	55	27	52	"
Cons. Gold	588	3	—	10	1	—	—	"
Cons. Gold	638	1½	—	4	10	—	—	"
Courtaulds	60	3½	—	7½	6	10	—	61p
Courtaulds	70	¾	—	3	2	5	—	"
GEC	650	25	5	50	2	70	—	666p
GEC	700	6	5	22	2	45	—	"
Grand Met.	140	55	4	60	—	63	—	194p
Grand Met.	160	35	2	41	3	45	—	"
Grand Met.	180	15	17	24	49	29	2	"
Grand Met.	200	5	100	12	7	17½	2	"
ICI	240	8	26	22	15	32	5	238p
ICI	260	2	—	12	9	24	4	"
ICI	280	¾	—	7	—	17	2	"
ICI	300	½	—	2½	10	10	10	"
ICI	360	½	23	1	5	—	—	"
Land Sec.	360	67	1	74	—	88	—	424p
Land Sec.	390	39	10	49	10	64	—	"
Land Sec.	420	13	35	30	3	44	2	"
Land Sec.	460	1	—	10	3	23	—	"
Marks & Sp.	100	26	10	30	—	—	—	124p
Marks & Sp.	120	6	24	13½	—	16½	—	"
Shell	390	7	68	22	2	32	—	374p
Shell	420	1½	1	11	—	18	—	"
Shell	550	¼	2	½	—	—	—	"
Totals			394		250		52	
		May		August		November		
Imperial Gp.	70	4	20	7½	—	8½	—	71p
Imperial Gp.	80	¾	—	3½	10	4	—	"
Lonrho	90	9	10	15	—	18	1	92p
Lonrho	100	4½	54	9½	18	12	—	"
Lonrho	110	1½	70	5	65	7½	—	"
P. & O.	110	39	15	40½	—	—	—	147p
P. & O.	120	29	8	33	5	35½	2	"
P. & O.	130	19½	42	24½	6	27½	—	"
P. & O.	140	10½	151	18½	42	20½	4	"
P. & O.	160	2	—	7	115	13	3	"
Racal Elec.	360	35	5	48	—	61	—	377p
Racal Elec.	390	14	30	30	10	46	—	"
RTZ	494	15	4	—	—	—	—	468p
RTZ	500	—	—	28	2	47	—	"
Totals			409		274		10	

JFB sells companies in £9m S. African deal

Johnson and Firth Brown has agreed to sell its steel wire businesses to Cape Gate of South Africa for around £9m, thus ending its involvement in this sector.

The companies being sold are Johnson and Nephew (Manchester) and Johnson and Nephew (Ambergate). Cape Gate said its aim in buying these companies is to develop internationally.

JFB, which was approached by the South African company, said it intended to use the proceeds to finance the upturn in trade expected in other parts of the group. The long-term effect of the deal will be to cut borrowings by £15m. The current debt level is some £60m.

Cape Gate said it intends to expand the two businesses and to use the long-established Richard Johnson and Nephew name for its UK operations.

The price for the deal will be based on combined audited net asset value at March 31, 1981, financed by £2m of share capital and reserves and a £7m long-term loan from JFB.

Cape Gate will pay £2m in cash for the equity and the £7m loan account will be repaid in five annual instalments—the first of £1m will be paid on completion and the rest over four years.

Combined bank borrowings of the two companies, estimated at £1m, will remain with them under their new ownership. The land and buildings are being retained by JFB and are not included in the estimated £9m net asset value.

The properties are being leased back to the two companies and put and call options have been arranged so that the properties will be sold back to the companies by JFB in 1987 for the current combined book value of some £3m.

In the financial year to September 30, 1980, the Manchester company broke even on turnover of £21m and J and N (Ambergate) made a £1.1m trading profit on sales of £15m. For the six months to end-March, J and N (Manchester) is expected to show a £700,000 trading loss and J and N (Ambergate) to break even.

Maxwell secures union approval for BPC rescue

BY RAY MAUGHAN

THE NEW management team at BPC, headed by non-executive chairman, Lord Kearton and Mr. Robert Maxwell as deputy chairman and chief executive, will be sending shareholders details of its survival plan for the ailing printing group on Wednesday this week.

After visits to nearly every one of BPC's 40 printing plants and negotiations with leaders of the print unions, Mr. Maxwell appears to have secured agreement for substantial redundancies and closures. He has thereby achieved one of the principal objectives for the terms of the reconstruction of the group and the injection of £10m by Pergamon Press, the privately-owned scientific publishing company which he heads.

Lord Kearton and Mr. Maxwell stress that many other conditions must be met. BPC's chief creditor, the National Westminster Bank, will only support the scheme if union and shareholders' consent has been obtained, Pergamon commits the capital it has pledged and if Mr. Maxwell continues as chief executive. The deadline for shareholders' approval is April 24.

Mr. Maxwell has already forecast that BPC will return to substantial profitability next year although Lord Kearton warned yesterday that the group would be in for a "terribly rough time in the rest of the current year." Its interim losses were £6.5m in 1980 and it now seems that trading conditions and currency rates wiped out the recovery the previous management had forecast for the second half.

The balance sheet will also have ot stand the cost of the proposed 2,752 job cuts and seven plant closures.

It now seems that the bank has conditionally agreed to reschedule its loans to enable BPC not only to continue trading and to carry out the required rationalisation but also to prepare the way for proposals for the cancellation of BPC's loan stocks. The bank's own debentures will probably be coverted into some form of preference shares.

Agreement of loan stock holders to the survival plan is also essential to its success and it is becoming clear that ordinary shareholders will have to accept substantial dilution of their interests. Pergamon holds 29.4 per cent of the equity, purchased at a cost of £3m in a dawn raid last summer. BPC is designed to become a quoted subsidiary of Pergamon, which will probably control 75 per cent of the shares if the plan is implemented.

Lord Kearton made it clear yesterday that "BPC would have been in liquidation by February if the survival proposals had not been drawn up."

AVANA/ROBERTSON

Holders of 6,103,559 Robertsons Foods shares, representing 51.64 per cent of those in issue, have accepted the offer from Avana. Acceptances have also been received from shares which are the subject of the Robertson share option scheme.

The offer has thus become unconditional and remains open.

WHITLEY BAY OFFERS CLOSED

S. G. Warburg on behalf of Granada, has announced that the recommended offers to acquire all the share capital—issued and to be issued—of Whitley Bay have closed.

Acceptances of the ordinary offer have been received in respect of 59.7 per cent of the issued share capital and acceptances of the preference offer have been received in respect of 78.4 per cent.

Mr. Alex Bernstein, Granada chairman, announced yesterday at the company's AGM, that it has purchased the Brussels-based general insurance company Eurobel for a little under £4m.

Bond Street recommends Auchinleck bid

Shareholders in Bond Street Fabrics have been advised by the company's board to accept the offer from Auchinleck.

Bond Street's chairman states in a letter that the directors are unanimously convinced that the terms of the offer are in the best interests of the company, its shareholders and employees.

CURRENCIES; MONEY and GOLD

Dollar weak

Dollar lost ground in currency markets yesterday, reflecting a lower trend in Euro-dollar rates, and possibly some late switching out of dollars after a recent firmer tendency caused by tension in Poland.

Sterling showed mixed changes against European currencies and improved slightly against the dollar. It did lose ground however in late trading.

Trading within the European Monetary System centred on the current weakness of the Belgian franc. It remained at its floor level against the French franc and D-mark, despite further central bank intervention. The D-mark was the strongest currency, followed by the French franc.

DOLLAR — Trade-weighted index (Bank of England) fell to 100.5 from 100.7. The dollar was easier overall, losing ground sharply towards the close of business, having drifted quietly for most of the day ahead of the month end, and with many people remaining on the sidelines in view of today's thretatened strike in Poland. Against the D-mark it closed at DM 2.1050, having touched a high of DM 2.1300 at one point, and compared with DM 2.1150 on Friday. Similarly against the Swiss franc, it finished at SwFr 1.9190 against SwFr 1.9300 previously.

STERLING — Trade-weighted index (Bank of England) rose to 100.6 from 100.4, having stood at 100.7 at noon, and in the morning. Sterling showed respectable gains earlier in the day, but fell away during the late afternoon along with the dollar. It touched FFr 11.21 against the French franc at one point, but finished only slightly up from Friday's level of FFr 11.1050 at FFr 11.1100. Against the D-mark it closed at DM 4.7025 compared with DM 4.7100. The pound opened at $2.2290 against the dollar, and traded around the $2.2400 level for much of the day. It eased slightly to $2.3330 later in the afternoon, but failed to gain from the dollar's late fall, and closed at $2.2330-$2.2340, a rise of just 55 points. Sterling's final calculation of its trade-weighted index failed to take in sterling's late decline.

D-MARK—One of the strongest members of the European Monetary System, helped by a sharp rise in West German interest rates, and the introduction of a special Lombard facility. Previously the D-mark had been depressed by high foreign interest rates, and a continuing balance of payments deficit. The D-mark is weak against the dollar at the moment, reflecting a build up of tension in Poland—Trading was rather subdued ahead of the month end, and the situation in Poland. At yesterday's fixing in Frankfurt the dollar fell to DM 2.1231 from DM 2.1270 on Friday, while sterling rose to DM 4.7540 from DM 4.7500. The dollar was little affected by lower Euro-dollar rates as this was countered by a lower trend in German interest rates. The Bundesbank was active at the fixing, buying Belgian francs, with the latter fixed at its floor level of DM 6.099 per BFr 100.

BELGIAN FRANC — Weakest member of the EMS following the devaluation of the lira, and despite last week's increase in Belgium's key lending rates. Central bank intervention has been estimated at BFr 90bn so far this year, but the franc still trades around its floor against the French franc and D-mark, and maximum divergence spread in terms of the European Currency Unit — The Belgian franc was very weak in Brussels yesterday, while the Government held talks to try to ease pressure on the Belgian unit.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 30	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	40.7985	41.6783	+2.16	+1.94	±1.5361
Danish Krone ...	7.91917	7.99288	+0.93	+0.71	±1.6413
German D-Mark	2.54502	2.54223	−0.11	−0.33	±1.1386
French Franc ...	5.99526	5.99000	−0.09	−0.31	±1.3638
Dutch Guilder ...	2.81318	2.81371	+0.02	−0.20	±1.5159
Irish Punt	0.685145	0.697063	+1.74	+1.52	±1.6688
Italian Lira	1262.92	1268.12	+0.41	+0.41	±4.1116

Changes are for ECU, therefore positive change denotes a week currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

March 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2290-2.2430	2.2330-2.2340	0.52-0.62c dis	−3.08	1.35-1.45dis	−2.51
Canada	2.6460-2.6620	2.6510-2.6520	1.15-1.25c dis	−5.43	2.90-3.05dis	−4.49
Nethlnd.	5.22-5.28	5.22-5.23	7¼-¼c pm	1.72	3-2 pm	1.91
Belgium	77.10-78.10	77.20-77.30	110-130c dis	−18.64	140-160 dis	−7.77
Denmark	14.79-14.96	14.79-14.81	¾-2¼ore dis	−1.01	5¾-7 dis	−1.64
Ireland	1.2895-1.3025	1.2900-1.2915	0.18-0.31c dis	−2.28	0.58-0.71dis	−1.97
W. Ger.	4.69-4.77	4.69¾-4.70¾	¼pf pm-¼ dis	—	par-½ dis	−0.21
Portugal	127.00-127.80	127.05-127.30	5-80c dis	−4.01	15-190 dis	−3.22
Spain	192.20-193.20	192.30-192.50	45-85c dis	−4.05	150-205 dis	−3.69
Italy	2,361-2,375	2,362-2,364	15½-17¾lire dis	−8.25	43½-46½ dis	−7.62
Norway	12.02-12.15	12.02½-12.04½	¾ore pm-1 dis	−0.12	2¾-1½ pm	0.64
France	11.10-11.21	11.10½-11.11½	½c pm-½ dis	—	¼-1¼ dis	—
Sweden	10.30-10.38	10.30½-10.32½	3¾-4ore dis	−4.14	8-9 dis	−3.30
Japan	470-477	471½-472½	1.90-1.55y pm	4.38	5.15-4.80 pm	4.22
Austria	33.30-33.85	33.33-33.38	5gro pm-par	0.90	10pm-par	0.60
Switz.	4.28-4.34	4.28½-4.29½	2¾-1¾c pm	4.89	5¾-4¾ pm	4.54

Belgian rate is for convertible francs. Financial franc 80.90-81.00. Six-month forward dollar 2.85-2.95c dis. 12-month 6.20-6.40c dis.

THE DOLLAR SPOT AND FORWARD

March 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2290-2.2430	2.2330-2.2340	0.52-0.62c dis	−3.06	1.35-1.45dis	−2.51
Ireland†	1.7070-1.7300	1.7270-1.7300	0.10-0.20c dis	−1.05	0.20-0.30dis	−0.58
Canada	1.1865-1.1885	1.1873-1.1876	0.27-0.32c dis	−2.98	0.50-0.55dis	−1.77
Nethlnd.	2.3475-2.3650	2.3475-2.3485	1.10-1.00c pm	5.37	2.62-2.52 pm	4.38
Belgium	34.57-34.88	34.57-34.59	0.40-0.55c dis	−0.16	0.45-0.80dis	−0.06
Denmark	6.6650-6.6775	6.6750-6.6775	1½-½ore pm	1.80	1.45-0.95 pm	0.72
W. Ger.	2.1040-2.1300	2.1045-2.1055	0.46-0.40pf pm	2.45	1.28-1.22 pm	2.38
Portugal	56.90-57.15	56.97-57.07	10c pm-20 dis	−1.05	25 pm-50dis	−0.98
Spain	86.08-86.35	86.20-86.25	5-25c dis	−2.09	20-45 dis	−1.51
Italy	1,051-1,062	1,051-1,054	4¾-5¾lire dis	−5.95	14-18 dis	−5.57
Norway	5.4000-5.4110	5.4000-5.4020	1½-1ore pm	2.78	3½-3 pm	2.41
France	4.9725-5.0120	4.9800-4.9850	1.37-1.27c pm	3.17	3.00-2.80 pm	2.32
Sweden	4.6200-4.6315	4.6230-4.6240	0.15-0.35ore dis	−0.65	0.60-0.80dis	−0.61
Japan	211.00-212.00	211.20-211.30	1.35-1.20y pm	7.24	3.65-3.50 pm	6.77
Austria	15.00-15.04	15.00-15.01	5.00-3.70gro pm	3.47	12.50-9.00 pm	2.85
Switz.	1.9170-1.9375	1.9185-1.9195	1.38-1.28c pm	8.19	3.38-3.28 pm	6.94

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Mar. 30	Bank of England Index	Morgan Guaranty Changes%
Sterling	100.6	−26.2
U.S. dollar	100.5	−3.6
Canadian dollar	85.9	−17.7
Austrian schilling	116.3	+21.6
Belgian franc	107.8	+9.1
Danish kroner	89.6	−10.4
Deutsche mark	121.1	+41.2
Swiss franc	135.4	+76.4
Guilder	112.7	+15.4
French franc	86.9	−9.1
Lira	59.4	−55.4
Yen	144.1	+39.7

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Mar. 27	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	12	0.547210	0.534730
U.S. $	13	1.22274	1.19389
Canadian $	16.59	1.45262	1.41894
Austria Sch.	6¾	18.3975	17.9860
Belgium F.	13	42.6797	41.6740
Danish K.	11	8.19236	7.98653
D mark	7½	2.60077	2.54179
Guilder	9	2.88385	2.81400
French Fr.	9½	6.13571	5.99333
Lira	19	1295.49	1257.61
Yen	6¼	259.221	253.105
Norwgn. Kr.	9	6.65782	6.47984
Spanish Pts.	8	105.461	102.973
Swedish Kr.	12	5.67192	5.53218
Swiss Fr.	4	2.36661	2.31615
Greek Dr'ch.	20½	—	61.7838

OTHER CURRENCIES

Mar. 30	£	$		£ Note Rates
Argentina Peso	N/A	N/A	Austria	33.40-33.80
Australia Dollar	1.9215-1.9255	0.8605-0.8610	Belgium	80.40-81.20
Brazil Cruzeiro	170.14-171.14	76.17-76.53	Denmark	14.85-15.00
Finland Markka	9.09-9.11	4.0810-4.0830	France	11.12-11.22
Greek Drachma	115.928-116.821	51.45-51.65	Germany	4.72½-4.77
Hong Kong Dollar	11.7990-11.8190	5.2830-5.2860	Italy	2300-2405
Iran Rial	168.20*	74.80*	Japan	474-480
Kuwait Dinar(KD)	0.612-0.618	0.2745-0.2747	Netherlands	5.24-5.29
Luxembourg Frc.	77.20-77.30	34.57-34.59	Norway	12.08-12.20
Malaysia Dollar	5.1136-5.1256	2.2895-2.2915	Portugal	124½-127½
New Zealand Dlr	2.4340-2.4390	1.0895-1.0905	Spain	186-197¾
Saudi Arab. Riyal	7.46-7.52	3.3495-3.3515	Sweden	10.31-10.41
Singapore Dollar	4.6690-4.6810	2.0905-2.0925	Switzerland	4.30½-4.35
Sth African Rand	1.7890-1.7900	0.8010-0.8015	United States	2.22¼-2.24¼
U.A.E. Dirham	8.18-8.24	3.6720-3.6740	Yugoslavia	78-82

Rate given for Argentina is free rate. *Selling rate.

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on March 30, 1981. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling/dollar rates; (S) member of the sterling area other than Scheduled Territories; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commer[cial] rate; (ch) convertible rate; (fn) fin[an]cial rates; (exC) exchange certific[ate] rate; (k) Scheduled Territory; (nc) n[on-]commercial rate; (nom) nominal; official rate; (sg) selling rate.

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Afghanistan	Afghani	113.00
Albania	Lek	10.00
Algeria	Dinar	8.5935
Andorra	French Franc	11.11
	Spanish Peseta	192.40
Angola	Kwanza	(CM) 67.078 / (T) 67.839
Antigua (S)	E. Caribbean $	6.05
Argentina	Ar. Peso Free Rate	n.a.
Australia (S)	Australian $	1.9235
Austria	Schilling	33.355
Azores	Portugu'se Escudo	127.175
Bahamas (S)	Ba. Dollar	2.2335
Bahrain (S)	Dinar	0.843
Balearic Isles	Spa. Peseta	192.40
Bangladesh (S)	Taka	37.30
Barbados (S)	Babados $††	4.467
Belgium	B. Franc	(com) 77.25 / (fn) 80.95
Belize	B $	4.467
Benin	C.F.A. Franc	555.50
Bermuda (S)	Bda $	2.2335
Bhutan	Indian Rupee	18.35
Bolivia	Bolivian Peso	56.05
Botswana (S)	Pula	174.10
Brazil	Cruzeiro ‡‡	170.64
Brit. Virgin Isles (S)	U.S. $	2.2335
Brunei (S)	Brunei $	4.67
Bulgaria	Lev	2.0318
Burma	Kyat	15.08
Burundi	Burundi Franc	204.44
CameroonRepublic	C.F.A. Franc	555.50
Canada	Canadian $	2.6515
Canary Islands	Spanish Peseta	192.40
Cape Verde Isle	Cape V. Escudo	81.55
Cayman Islands (S)	Cay. Is. $	1.8612
Cent. Af. Repub.	C.F.A. Franc	555.50
Chad	C.F.A. Franc	555.50
Chile	C. Peso	(Bk) 87.16
China	Renminbi Yuan	3.6269
Colombia	C. Peso	(F) 116.64
Comoro Islands	C.F.A. Franc	555.50
Congo (Brazaville)	C.F.A. Franc	555.50
Costa Rica	Colon	38.36
Cuba	Cuban Peso	1.6396
Cyprus (S)	Cyprus £	0.873
Czechoslovakia	Koruna	(com) 14.00 / n/c 24.38 / (T) 25.60
Denmark	Danish Krone	14.79
Djibouti	Fr.	385 (sg)
Dominica (S)	E. Caribbean $	6.04
Dominican Repub.	Dominican Peso	2.2335
Ecuador	Sucre	(O) 55.82 / (F) 66.94
Egypt	Egyptian £	(U) 1.57
Equatorial Guinea	Ekuele	384.8
Ethiopia	Ethiopian Birr	(P) 4.586
Falkland Islands(S)	Falkland Is. £	1.0
Faroe Islands	Danish Krone	14.795
Fiji Islands	Fiji $	1.8535
Finland	Markka	9.10
France	French Franc	11.11
FrenchC'tyin Af*	C.F.A. Franc	555.50
French Guiana	Local Franc	11.11
French Pacific Is.	C.F.P. Franc	193 (sg)
Gabon	C.F.A. Franc	555.50
Gambia (S)	Dalasi	4.0
Germany (East)	Ostmark	4.7025
Germany (West)	Deutsche Mark	4.7025
Ghana (S)	Cedi	6.22
Gibraltar (K)	Gibraltar £	1.0
Greece	Drachma	115.375

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Greenland	Danish Kroner	14.795
Grenada (S)	E. Caribbean $	6.04
Guadaloupe	Local Franc	11.11
Guam	U.S. $	2.2335
Guatemala	Quetzal	2.2335
Guinea Republic	Syli	44.83
Guinea Bissau	Peso	79.91
Guyana (S)	Guyanese $	5.69
Haiti	Gourd	11.16
Honduras Repub.	Lempira	4.49
Hong Kong (S)	H.K. $	11.80
Hungary	Forint	(com) 76.1468 / (T)(nc) 67.089
Iceland (S)	I. Krona	14.689(§)
India (S)	Ind. Rupee	18.35
Indonesia	Rupiah	1,396.95
Iran	Rial	168.20(sg)
Iraq	Iraq Dinar	0.6686
Irish Republic (k)	Irish £	1.29075
Israel	Shekel	20.20
Italy	Lira	2,363.0
Ivory Coast	C.F.A. Franc	555.50
Jamaica (S)	Jamaica Dollar	3.9835
Japan	Yen	472.0
Jordan (S)	Jordan Dinar	0.706(sg)
Kampuchea	Riel	2,680.2
Kenya (S)	Kenya Shilling	18.37
Kiribati	Australian $	1.9235
Korea (Nth)	Won	2.09(‖)
Korea (Sth)	Won	1,521.24
Kuwait	Kuwait Dinar	0.615
Laos	New Kip	22.42
Lebanon	Lebanese £	8.8750
Lesotho	Loti	1.7895
Liberia	Liberian $	2.2335
Libya	Libyan Dinar	0.5612
Liechtenstein	Swiss Franc	4.29
Luxembourg	Lux Franc	77.25
Macao	Pataca	11.89
Madeira	Portug'se Escudo	127.175
Malagasy Republic	MG Franc	555.50
Malawi (S)	Kwacha	1.9290
Malaysia (S)	Ringgit	5.1135
Maldive Islands (S)	Mal Rupee	8.8111
Mali Republic	Mali Franc	1,111.0
Malta (S)	Maltese £	0.837
Martinique	Local Franc	11.11
Mauritania	Ouguiya I	110.27
Mauritius (S)	M. Rupee	18.16
Mexico	Mexican Peso	52.94
Miquelon	C.F.A. Franc	555.50
Monaco	French Franc	11.11
Mongolia	Tugrik	(o)6.98(‖)
Montserrat	E. Caribbean $	6.04
Morocco	Dirham	10.51(sg)
Mozambique	Metical	63.20
Nauru	Australian Dollar	1.9235
Nepal	Nepalese Rupee	26.90
Netherlands	Guilder	5.225
NetherlandAntilles	Antillian Guilder	3.9979
New Hebrides	See VANUATU	
New Zealand (S)	N. Z. Dollar	2.4365
Nicaragua	Cordoba	22.35
Niger Republic	C. F. A. Franc	555.50
Nigeria (S)	Naira	1.367479 (sg)
Norway	Norway Krone	12.035
Oman Sul'ate of(S)	Rial Omani	0.773
Pakistan	Pakistan Rupee	21.95
Panama	Balboa	2.2335
Papua N.Guinea(S)	Kina	1.4725
Paraguay	Guarani	281.61

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Peru	Sol	exc (A)875.5
Philippines	Philippine Peso	16.60
Pitcairn Islands (S)	£ Sterling	—
	New Zealand $	2.4365
Poland	Zloty	(Cm)73.15 / (T)73.15
Portugal	Portugu'se Escudo	127.175
Puerto Rico	U.S. $	2.2335
Qatar (S)	Qatar Ryal	8.14
Reunion Ile de la	French Franc	11.11
Romania	Leu	(Cm)10.51 / (n/c) 25.88
Rwanda	Rwanda Franc	205.32
St. Christopher (S)	E. Caribbean $	6.04
St. Helena	St. Helena £	1.0
S. Lucia	E. Caribbean $	6.04
St. Pierre	Local Franc	11.11
S. Vincent (S)	E. Caribbean $	6.04
Salvador El	Colon	55.96
Samoa American	U.S. $	2.2335
San Marino	Italian Lira	2,363.0
Sao T'oe&Principe	Dobra	82.16
Saudi Arabia	Ryal	7.49
Senegal	C.F.A. Franc	555.5
Seychelles	S. Rupee	13.08(sg)
Sierra Leone (S)	Leone	2.5056
Singapore (S)	Singapore $	4.67
Solomon Islands(S)	Solomon Is. $	1.935
Somali Republic	Somali Shilling	(A)13.51
South Africa (S)	Rand	1.7895
South West African Territories (S)	S. A. Rand	1.7895
Spain	Peseta	192.40
Spanish ports in North Africa	Peseta	192.40
Sri Lanka (S)	S. L. Rupee	39.90
Sudan Republic	Sudan £ (1)	1.12
Sudan Republic	Sudan £ (2)	1.79
Surinam	S. Guilder	3.9979
Swaziland (S)	Lilangeni	1.7895
Sweden	S. Krona	10.315
Switzerland	Swiss Franc	4.29
Syria	Syria £	(A)6.80
Taiwan	New Taiwan $	80.41
Tanzania (S)	Tan. Shilling	18.3
Thailand	Baht	45.75
Togo Republic	C.F.A. Franc	555.50
Tonga Islands (S)	Ha'anga	1.9235
Trinidad (S)	Trinidad & Tob. $	5.3504
Tunisia	Tunisian Dinar	0.988(sg)
Turkey	Turkish Lira	215.98
Turks & Caicos	U.S. $	2.2335
Tuvalu	Australian $	1.9235
Uganda (S)	Uganda Shilling	18.37
United States	U.S. Dollar	2.2335
Uruguay	Uruguay Peso	(cm)24.1 / (fn)23.82
Utd.Arab Emirates	U.A.E. Dirham	8.21
U.S.S.R.	Rouble	1.6700
Upper Volta	C.F.A. Franc	555.50
Vanuatu	Vatu	170(sg)
	Aust. Dollar	1.9235
Vatican	Italian Lire	2,363.0
Venezuela	Bolivar	8.79
Vietnam	Dong	(O)4.8876 / (T)5.13(‖)
Virgin Islands U.S.	U.S. Dollar	2.2335
Western Samoa	S. Samoan Tala	2.1777
Yemen (Nth)	Ryal	10.12(sg)
Yemen (Sth)	S. Yemen Dinar	(A)0.7656
Yugoslavia	New Y Dinar	72.1133
Zaire Republic	Zaire	5.96720
Zambia	Kwacha	1.8740
Zimbabwe	Zimbabwe $	1.4675

*That part of the French community in Africa formerly French West Africa or French Equatorial Africa. † Rupees per pound. ‡ General rates of oil and i[ron] exports 93.80. ** Rate is the transfer market (controlled). †† Rate is now based on 2 Barbados $ to the dollar. ‡‡ Now one official rate. (U) Unified ra[te] Applicable on all transactions except countries having a bilateral agreement with Egypt, nd who are not members of IMF. (‖) Based on gross rates agai[nst] Russian rouble. (1) Official rates for government transactions and specified exports and imports. (2) Parallel rate for non-government transactions and n[on-] specified exports and imports. § One new Krona=100 old Kronur.

EXCHANGE CROSS RATES

Mar. 30	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.234	4.703	472.0	11.11	4.290	5.225	2363.	2.652	77.25
U.S. Dollar	0.448	1.	2.105	211.3	4.974	1.921	2.339	1058.	1.187	34.59
Deutschemark	0.213	0.475	1.	100.4	2.363	0.912	1.111	502.5	0.564	16.43
Japanese Yen 1,000	2.119	4.732	9.963	1000.	23.54	9.089	11.07	5006.	5.618	163.7
French Franc 10	0.900	2.010	4.233	424.8	10.	3.861	4.703	2127.	2.387	69.53
Swiss Franc	0.233	0.521	1.096	110.0	2.590	1.	1.218	550.8	0.618	18.01
Dutch Guilder	0.191	0.427	0.900	90.33	2.126	0.821	1.	452.2	0.507	14.78
Italian Lira 1,000	0.423	0.945	1.990	199.7	4.702	1.815	2.211	1000.	1.122	32.69
Canadian Dollar	0.377	0.842	1.774	178.0	4.190	1.618	1.971	891.2	1.	213.9
Belgian Franc 100	1.294	2.891	6.087	611.0	14.38	5.553	6.764	3059.	3.432	100.

FT LONDON INTERBANK FIXING (11.00 a.m. MARCH 30)

3 months U.S. dollars		6 months U.S. dollars	
bid 14 3/4	offer 14 7/8	bid 14 3/4	offer 14 7/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Mar. 30	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	11¾-12	14⅜-14⅝	16-17	9¾-10	50-120	11⅛-11¾	—	14-16	—	8¼-8¾
7 days' notice	12⅛-12⅜	14⅝-14⅞	16-17	9¾-10	3½-4	12-12¼	11¾-12	18½-20½	—	8⅛-8⅜
Month	12⅛-12⅜	15⅜-15⅝	17⅛-17½	10⅛-10¼	7⅝-7¾	12⅝-12¾	12⅛-12⅜	19¼-20¼	—	7⅞-8⅛
Three months	12 7/16-12⅝	14¾-15	16⅛-16⅞	10⅝-10⅞	7¾-7⅞	12⅜-12½	12⅜-12⅝	19¾-20¾	—	7⅝-7⅞
Six months	12⅜-12⅛	14⅞-15⅛	15⅝-16	10⅝-10⅞	7¾-7⅞	12 7/16-12 11/16	12⅝-12⅞	19¾-20¾	—	7¾-8
One Year	12 9/16-12 13/16	14¾-15	15-15⅜	10½-10 11/16	7 11/16-7 13/16	11 9/16-11 15/16	13⅛-13⅜	19¾-20¾	—	7 13/16-8 1/16

SDR linked deposits: one-month 12 9/16-12 13/16 per cent; three-months 12 11/16-13 1/16 per cent; six-months 12⅝-13 per cent; one-year 12 9/16-12 15/16 per cent.
ECU linked deposits: one-month 12⅞-13⅛ per cent; three-months 13⅛-13½ per cent; six-months 12 15/16-13⅜ per cent; one-year 12¾-13⅛ per cent.
Asian $ (closing rates in Singapore): one-month 15½-15⅝ per cent; three-months 14⅝-14¾ per cent; six-months 14⅝-14¾ per cent; one-year 14 9/16-14 11/16 per cent. Long-term Eurodollar two-years 14⅝-15 per cent; three-years 14⅝-15 per cent; four-years 14⅝-15 per cent; five-years 14⅝-15 per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice.
The following nominal rates were quoted for London dollar certificates of deposit: one-month 14.30-14.40 per cent; three-months 14.45-14.55 per cent; six-months 14.35-14.45 per cent; one-year 14.30-14.40 per cent.

INTERNATIONAL MONEY MARKET

Paris call rate up

Call money was very firm in the Paris money market yesterday. French call money rose to 12 per cent, the highest level since February 27, and an increase of ½ per cent from Friday. The rise reflected the increase in the Bank of France intervention rate on seven-day Treasury bills at the end of last week.

The rate on seven day bills was raised to 12½ per cent from 12 per cent, and was seen as a move to discourage any large capital outflows from Paris following the sharp rise in the value of the D-mark recently, and nervousness about the present delicate situation in Poland. Money market conditions remained very liquid however.

In Frankfurt call money fell to 10.75-11.50 per cent from 11.25-11.75 per cent, compared with the special Lombard rate of 12 per cent. The Bundesbank announced that special Lombard lending will remain available today at an unchanged rate.

One-month money eased to 12.90-13.10 per cent from 13.00-13.20 per cent yesterday, and three-month to 13.20-13.30 per cent from 13.30-13.50 per cent. Six-month funds rose to 13.00-13.25 per cent from 12.90-13.10 per cent, and 12-month to 12.40-12.60 per cent from 12.00-12.20 per cent.

In Amsterdam call money fell to 9¾-9⅞ per cent from 9¼-9¾ per cent, while period rates showed little change, although 12-month funds declined to 10½-10¾ per cent from 10⅝-10⅞ per cent.

UK MONEY MARKET

Small help

Bank of England Minimum Lending Rate 12 per cent (from March 10, 1981)

The supply of day-to-day credit was nearly adequate for the requirements of the London money market yesterday, with the authorities giving assistance, but only on a small scale.

The Bank of England bought a small amount of Treasury bills and a small number of eligible bank bills from the discount houses.

The balance of money from Friday's issue of the index-linked 2 per cent Treasury 1996 stock was the major factor against the market, coupled with a moderate number of bank bills maturing in official hands, the repayment of moderate lending, and a small excess of revenue payments to the Exchequer over Government disbursements. These were almost balanced by extremely large balances brought forward by the banks.

Discount houses paid around 11½-11⅝ per cent for secured call money for most of the day.

GOLD

Weaker tendency

Gold fell $17 an ounce from Friday's close in the London bullion market yesterday to finish at $521-524. In later trading in New York, the metal was quoted even lower at $517-520. Trading was rather thin and nervous in view of the current situation in Poland, and the metal drifted from an opening level of $530-533, its best of the day, to be fixed at $529.50 in the morning and $526.50 in the afternoon.

In Paris the 12½-kilo bar was fixed at FFr 86,660 per kilo ($538.75 per oz) in the afternoon, compared with FFr 86,600 ($538.32) in the morning and FFr 88,000 ($545.45) on Friday afternoon.

In Frankfurt the 12½-kilo bar was fixed at DM 36,150 per kilo ($529.99 per oz) against DM 37,540 ($548.97) previously, and closed at $525-528 compared with $537-540 on Friday.

In Zurich gold finished at $525-528 against $538-541 an oz previously.

	Mar. 30		Mar. 27	
Gold Bullion (fine ounce)				
Close	$521-524	(£233-234½)	$538-541	(£241¼-243¼)
Opening	$530-533	(£236½-238)	$548-551	(£244¾-246¼)
Morning fixing	$529.5	(£236.542)	$547.25	(£244.199)
Afternoon fixing	$526.50	(£235.412)	$538.75	(£241.430)
Gold Coins				
Krugerrand	$533½-535	(£238½-239¼)	$556½-558	(£249½-250)
1/2 Krugerrand	$275-277	(£123-123¾)	$287-289	(£128¾-129½)
1/4 Krugerand	$140-142	(£62½-63½)	$146-148	(£65½-66¼)
1/10 Krugerrand	$59-60	(£26¼-26¾)	$61-63	(£27¼-28¼)
Mapleleaf	$528-529½	(£236-236¾)	$552-553½	(£247½-248)
New Sovereigns	$130-131	(£58-58½)	$135½-136½	(£60¾-61¼)
King Sovereigns	$148-150	(£66¼-67¼)	$152-154	(£68¼-69¼)
Victoria Sovs	$148-150	(£66¼-67¼)	$152-154	(£68¼-69¼)
French 20s	$170-173	(£76-77¼)	$170-173	(£75¼-77½)
50 pesos Mexico	$650-655	(£290½-292¾)	$673-678	(£301¼-304)
100 Cor. Austria	$508-513	(£227¼-229¼)	$530-535	(£237½-239¾)
$20 Eagles	$635-640	(£284-286)	$643-648	(£288¼-290½)

LONDON MONEY RATES

Mar. 30 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	11½-12	11⅞-12⅜	—	—	12-12¼	11½-12	—	—	—
2 days notice	—	—	12⅛-12⅜	—	—	—	—	—	—	—
7 days or 7 days notice	—	12⅛-12⅜	12⅝	—	12½	12½-12⅝	11¾-12	—	—	—
One month	12 3/16-12 1/16	12⅛-12⅝	12½-12⅝	13⅝-13⅜	12⅞	12⅞	12	11 9/16-11 11/16	11 11/16	13
Two months	12 5/16-12 3/16	12⅛-12⅝	—	13-12⅝	12⅞	12⅞	12	11⅝-11 11/16	11 11/16	12⅞
Three months	12½-12⅜	12½-12⅝	12⅝	12⅞-13½	12⅞	12⅞	11⅝	11 11/16-11¾	11 11/16	12⅝
Six months	12⅛-12	12¼-12 5/16	12¼	12½-12¼	12⅝	12¾	—	—	11 11/16	12
Nine months	12 5/16-11 15/16	12 7/16-12⅝	—	12⅝-12¼	12⅝	12¾	—	—	—	—
One year	12 5/16-11 15/16	12 7/16-12⅜	12¼	12⅜-12⅛	12⅝	12¾	—	—	—	—
Two years	—	—	12¾-12⅞	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 12⅞-13⅛ per cent; four years 13-13¼ per cent; five years 13¾-13⅞ per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11⅝ per cent; four-months trade bills 12¾ per cent.

Approximate selling rate for one-month Treasury bills 11 9/16-11 19/32 per cent; two-months 11½-11 19/32 per cent; three-months 11 19/32-11½ per cent. Approximate selling rate for one-month bank bills 11 11/16-11⅝ per cent; two-months 11 11/16-11⅝ per cent; one-month trade bills 12¾ per cent; two-months 12⅝ per cent and three-months 12⅝ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 14 per cent from March 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.5305 per cent.

MONEY RATES

NEW YORK	
Prime Rate	17-17½
Fed. Fund	15¾-15⅞
Treasury Bills (13-week)	12.96
Treasury Bills (26-week)	12.44
GERMANY	
Discount Rate	7.5
Overnight Rate	11.125
One month	13.00
Three months	13.30
Six months	13.125
FRANCE	
Discount Rate	9.5
Overnight Rate	12.00
One month	12.4375
Three months	12.75
Six months	12.875
JAPAN	
Discount Rate	6.25
Call (Unconditional)	7.5625
Bill Discount (three-month)	—

CANADIAN GROUP BIDS C$550M

St. Joe agrees to sell oil offshoot

BY PAUL BETTS IN NEW YORK

ST. JOE Minerals Corporation, the largest U.S. lead producer with substantial other interests in minerals and oil, has agreed to sell for C$550m (U.S.$463m) its 92 per cent stake in CanDel Oil, a Canadian oil company, to Sulpetro, a Calgary-based oil and gas concern, which is 20 per cent owned by Consolidated Bathurst, the pulp and paper group.

The proposed deal, announced by Sulpetro, is the latest move by St. Joe to try to block a $2bn unfriendly takeover bid by Seagram Company of Canada, the world's largest distillery and wine group.

CanDel, but a spokesman holds a 14 per cent interest in the Buchan field in the UK sector of the North Sea and has extensive Canadian oil and gas exploration and production interests. It also has holdings in the Dutch sector of the North Sea and onshore in the south of England. In 1978 it took over from St. Joe a silver mining and custom smelting operation in Canada. St. Joe carries out its domestic U.S. oil operations through Coquina Oil Corporation.

St. Joe yesterday declined to confirm its agreement to sell Candel, but a spokesman indicated the company was barred at present from commenting on the transaction by a court order connected with the Seagram bid.

Last week, a New York federal judge issued a temporary restraining order blocking a series of proposals by St. Joe designed to block Seagram's bid. The plan included proposals by St. Joe to buy back several million of its own shares, sell its Canadian oil and gas interests, seek other possible buyers and, if all else failed, to liquidate the company.

But although the judge temporarily blocked St. Joe's plan to buy back its shares—a decision backed up by an appeals court yesterday—the judge said the mining and minerals group could negotiate the sale of CanDel Oil or seek other buyers for the group as long as St. Joe notified the court before closing any transaction.

The sale of CanDel Oil would be a major blow for Seagram, as it would make St. Joe more attractive to potential U.S. buyers. U.S. companies have recently been put off making acquisitions of Canadian oil and gas companies because of Oanada's controversial energy policies seeking to increase Canadian ownership of domestic resources.

Moreover, the sale would provide the mining company with cash to buy back its own shares should the restraining order be lifted when the full hearing of Seagram's claim for an injunction against St. Joe's actions, due to begin tomorrow, is completed.

According to Sulpetro, which has assets of Canadian $197.5m and reported earnings of $2.6m in its last fiscal year, the deal involves an offer of C$44.5 a share for St. Joe's 92 per cent interest in Candel Oil.

Seagram, with more than $3bn in cash, has so far indicated that it is not particularly concerned by the proposed sale of Candel. The drinks company said it believed the Transaction was still snbject to a number of unspecified credit arrangements as well as approval by the New York judge who issued the restaraining order against St. Joe last week.

Loral pays $60m in electronics takeover

By Ian Hargreaves in New York

LORAL, the New York-based electronics warfare systems company, yesterday announced that it would pay the equivalent of $60m to take over Ramtek, a Californian manufacturer of electronic systems and components. Loral plans to finance the deal through a stock swap, offering $22.50 worth of Loral stock for each of Ramtek's 2.6m shares.

Mr. Bernard Schwartz, chairman of Loral, said Ramtek was especially interesting to Loral because of its expertise in making colour graphic computer display systems, which Loral will make use of in its airborne electronic warfare equipment.

Electronic warfare systems involve devices to jam enemy radio and radar signals and equipment for use in surveillance activities.

Computer display systems, said Mr. Schwartz, are "one of the areas where the commercial technology in the U.S. is ahead of the military technology.

Ramtek ,which had sales of $15.2m and earnings of $900,000 for the last six months, also makes electronic terminals and industrial monitors. The company, based in Santa Clara, was formed six years ago.

Mr. Schwartz said the acquisition would create "a small dilution" of Loral's earnings. In the first nine months of its fiscal year, Loral earned $14.5m on sales of $155m.

Loral is one of several, rapidly growing electronic warfare systems companies, aggressively bidding for contracts around the world in an industry expected to grow in real terms by 25 per cent in the next five years.

Loral also stands to gain from increased procurement rates for various military aircraft under the expanded Reagan defence budget, although the company does not expect to participate in the re-activated B1 bomber programme, assuming that is the outcome of the Administration's current review of the need for a new manned bomber.

Bolivia debt rescheduling postponed for a month

BY JOHN MAKINSON

A DEBT rescheduling agreement between Bolivia and a group of international banks has been postponed for around a month after delays in the preparation of documents.

The agreement, which was to have been signed in New York today, covers about $445m of debt maturing between August last year and April 1983. The debt will be backed up by a two-year standby credit from the International Monetary Fund totalling 168m special drawing rights ($205m).

Bankers close to the negotiations said that the delay resulted from the complexity of the agreement and the absence from the talks of leading officials on both sides. This resulted in lengthy, indirect discussions between Bolivia and the banks. According to one banker, "99.9 per cent of the problems were purely technical."

Other bankers pointed out that the standby credit had not yet been formally ratified by the IMF executive board. They also referred to the uncertainty surrounding the future of the Government of General Luis Garcia Meza as a possible factor in the delay.

The steering committee of international banks which drew up the rescheduling proposals with Bolivian officials includes Bank of America, Bank of Nova Scotia, Citibank, Crocker, Deutsche - Suedamerikanische Bank, Libra and Manufacturers Hanover. Bolivia is being advised by Salomon Brothers.

Under the proposals, debt maturing last year of which repayment was deferred initially until January 5, 1981, and subsequently until this month, is divided into two tranches.

The first covers short-term debt amounting to $125m, of which 20 per cent is to be repaid by October this year. The remaining 80 per cent will be converted into a 3½-year credit with a margin of 2 per cent over London interbank offered rate. The second tranche relates to instalments due on medium and long-term debt last year amounting to around $69m. Of this, 10 per cent will be repaid in October and the remainder will be converted into a seven-year credit with a margin of 2¼ per cent over Libor.

Medium and long-term debt which matures within the next two years will be consolidated into the credit after it has fallen due.

Japanese buy out Ford stake in gear plant

By our New York Staff

FORD MOTOR has agreed to sell its 50 per cent stake in a large Japanese automatic transmission plant to Nissan and Toyo Kogyo.

Ford also learned yesterday that its U.S. credit rating, which determines how much interest the company will pay on new debt issues, has been cut from Double=A to Single=A by Moody's, one of the large credit-rating organisations.

Last year, Ford's rating was cut from a Prime Treble=A, but since then the company has sustained heavy losses and suf*fered a significant deterioration* in its balance sheet. Ford lost $1.5bn last year and is expected to make a small loss this year.

Ford did not disclose the value of the cash deal with Nissan and Toyo Kogyo, but according to Maryann Keller, analyst with the Wall Street firm of Paine Webber Mitchell Hutchins, the Ford stake was valued late last year at $48m. Nissan is to take a controlling interest in the operation, holding 65 per cent of the equity, with Toyo Kogyo taking 35 per cent.

Ford holds a direct stake in Toyo Kogyo, which is primarily a manufacturer of trucks, engines and components.

Swiss bank in SEC inquiry

BY JOHN WICKS IN ZURICH

THE U.S. Securities and Exchange Commission has called on Banca Della Svizzera Italiana, of Lugano, to provide information on transactions in connection with Seagram's $2bn bid for St. Joe Minerals.

The Swiss bank says that the deal in question concerns the purchase, for clients' accounts, of 1,050 call contracts on March 10 and their sale two days after. Each call contract represented the right to acquire 100 shares of St. Joe. Seagram's bid was announced on March 11.

Last Friday, the Federal District Court of New York instructed Irving Trust Company to block three accounts of the Lugano bank. The SEC claimed that *clients of Banca Della* Svizzera Italiana had earned some $1m by making use of insider information on the bid.

The SEC states that the options were for the purchase of St. Joe shares at "$25 to $30." On March 11, the stock market prices had risen to over $45 after Seagram had bid this price for St. Joe's equity.

The disputed proceeds of the call contracts is said by the *Lugano bank to have totalled* less than $1.5m. It "views itself as a mere intermediary in the matter" and adds that it hopes this will shortly be resolved.

Pressure on margins hits earnings at Data General

BY OUR FINANCIAL STAFF

SOFT DEMAND and pressure on profit margins has left operating profits at Data General, the maker of small and medium-size computers, sharply lower in its second quarter to March 14.

Profits from operations were down from $12.7m, or $1.21 a share, to $8.8m, or 83 cents. Sales for the period advanced from $147.7m to $162.1m. A $4.7m gain from the sale of securities is excluded.

The company said profit margins continued to be affected by rising wages and materials costs, litigation costs and the effect of a strengthening dollar against European currencies.

Incoming orders had shown little improvement in recent months

For the half year Data General's operating earnings were also lower, at $17.5m compared with the $24.6m achieved in 1979-80. The figures exclude a $9.8m gain from the sale of securities. Operationg earnings per share came out at $1.64 against $2.36, while revenues for the six months advanced from $283.8m to $318.1m.

BCRIC bid delayed

By Our Financial Staff

BRITISH COLUMBIA Resources Investment Corporation's C$285m (U.S.$240m) bid for a further 6.2m shares in MacMillan Bloedel, the pulp and paper group, has been suspended until no sooner than April 6. The bid, which if successful would have given BCRIC a 49 per cent stake, was due to take place on Canadian stock exchanges today.

It has been postponed because Noranda Mines has sent to MacMillan shareholders full details of its C$566m bid for control.

Swiss bond terms confirm upward trend in coupons

BY FRANCIS GHILES

INTERNATIONAL BOND markets remained quiet yesterday as investors continued to display a marked reluctance both to buy and sell bonds. Despite a decline in short-term dollar *interest rates, the fixed interest* dollar sector remained steady.

In the D-mark sector, trading remains thin ahead of the West German Capital Markets Sub-Committee meeting due in Frankfurt tomorrow. The slight weakness in the domestic D-mark bond market and in the German equity market failed to have any marked effect on foreign D-mark bond prices.

The same quiet prevailed in Switzerland, where the terms offered on the SwFr 40m bond to 1991 for the city of Bergen, a prime name, confirm the upward movement in coupons. This borrower is paying 6¾ per cent; 10 days ago it would have paid ¼ per cent less. Lead manager of this issue is Credit Suisse and the next issue in this sector, SwFr 80m for the ECSC is expected through Union Bank of Switzerland *on Wednesday.*

Prices of sterling Eurobonds weakened yesterday, in line with those on the gilt-edged market. The 14½ per cent bond to 1988 for Privatbanken, which was trading for the first time yesterday, closed at 98½-9 according to the lead manager, Hambros.

Meanwhile, S. G. Warburg decided to increase by ¼ per cent the 14 per cent coupon it is offering on the £25m Hiram Walker issue to 1986.

The Asian Development Bank is offering a Y15bn 15-year bond with a coupon of 8.3 per cent through Daiwa Securities.

Elder and IXL to merge

By Our Financial Staff

HENRY JONES (IXL), the Australian industrial group, and Elder Smith Goldsbrough Mort, with particular interests in agricultural services, have agreed to merge in a deal which would create a A$200m (US$232m) concern.

Directors of the two companies said Elder would offer one of its shares for each Henry Jones share, with a cash alternative of A$4.40 a share.

Carlton and United Breweries (CUB) will buy the 19.99 per cent stake in Elder Smith currently held by the merchant bank BT Australia, IXL said.

Ina statement detailing its own plans to merge with the *South Australian pastoral* house, Jones said CUB was making the acquistion following an offer received from BT Australia.

CUB is the major shareholder in Jones with 33 per cent of the company's issued capital.

Slower growth at Dean Witter Reynolds

By Terry Byland

EARNINGS at Dean Witter Reynolds Organisation, one of the major securities traders, slowed in the second quarter, as did those of the rest of the industry. But this still leaves *the group with an 85 per cent* gain in profits, to $28.3m, or $2.57 a share, in the first half of the year. Revenue for the opening six months advanced by 26 per cent to $424.5m.

In fiscal 1980, the group, formed in 1978 by the merger of Dean Witter Organisation and Reynolds Securities International, earned $36m. In the opening quarter of this year, with stock markets recording substantial increases in trading, Dean Witter pushed net income ahead by 238 per cent.

The second quarter, when the growth in group turnover slowed down from 36 per cent to 18 per cent, brought earnings of $12.5m, or $1.10, gains of about 18 per cent on the comparable period.

Earnings have in the past been affected strongly by fluctuations in the level of securities markets business, since about 44 per cent traditionally come from commissions. Thus last year's earnings of $36m compare with $11.4m the year before, and $18.6m in 1978. Some 24 per cent of group earnings are derived from interest payments.

Dean Witter also operates in the insurance industry through its subsidiary Surety Life Insurance. Surety had $1.2bn of insurance in force last year and assets of more than $80m. But only 5 per cent of group earnings came from this source.

About 28 per cent of the company's stock is held by major investment institutions. At the end of last year it sold $50m of debenture stock *at* $27.30 a share, commenting at the time that although the proceeds would be used to reduce bank debts, they could be used later to provide expansion capital.

Ontario Hydro in GPU deal

TORONTO — Ontario Hydro has signed a letter of intent to deliver all the electricity from its J. Clark Keith generating station near Windsor to General Public Utilities Corporation, operator of the Three Mile Island. Details were being negotiated, Hydro said.

The provincially - owned utility had been planning to mothball the 254,000 kilowatt thermal station for lack of an export market.

Reuter

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday, April 14.

Closing prices on March 30

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amoco 13¾ 88	75	96¼	96¾	−0¼	−0⅝	14.05
CECA 11½ 88	100	88½	89	0	−1⅛	14.08
CNE 12¾ 91	100	92¾	93¼	−0⅛	−0½	14.09
Citicorp O/S Fin. 10 86	300	85⅛	85⅝	+0⅛	−1⅛	14.05
Citicorp O/S Fin. 12 87	200	91⅞	92⅜	+0⅛	−0⅜	13.82
Con. Illinois O/S 9¾ 86	150	84	84½	0	−0⅝	14.17
Denmark 11¾ 90	100	85½	86	−0⅛	−0⅛	14.65
Dupont Canada 13½ 91	65	96⅞	97⅜	+0⅛	−0¼	14.09
EEC 11 95 (May)	75	81⅜	81⅞	+0¼	+0⅛	14.07
EEC 11 95 (August)	70	79⅞	80⅜	+0⅛	+0⅜	14.26
EIB 13¾ 90	100	97½	98	−0⅛	−0⅜	14.19
Eksportfinans 9½ 87	75	82¼	82¾	+0¼	+0⅜	13.81
Eldorado 13¾ 86	50	96⅜	96⅞	+0⅛	−0⅛	14.23
Elec. de France 10 88	125	82⅝	83⅛	+0⅛	−0½	13.86
Elec. de France 13 88	125	96¼	96¾	+0¼	−0⅛	13.92
Export Dv. Cpn. 12¾ 87	100	94⅞	95⅜	−0⅛	−0⅜	13.96
Export Dv. Cpn. 9½ 86	150	84	84½	+0¼	−0½	14.22
Fed. Bs. D. 12⅞ 85 (N)	50	93¾	94¼	+0¼	0	14.04
Fin. Exp. Credit 10½ 85	50	87⅜	87⅞	+0¼	+0⅛	14.65
Finland, Rep. of 9½ 86	100	82⅜	82⅞	+0⅛	+0⅛	14.66
Ford Credit O/S 14⅝ 83	150	99⅝	99⅞	+0½	+0¼	14.76
Ford Cr. O/S Fin. 16 84	150	103¼	103¾	+0¼	−0⅛	14.38
Gaz de France 13½ 86	80	98⅛	98⅝	+0⅛	−0⅛	13.91
GMAC O/S Fin. 12 87	100	89⅞	90⅜	0	−0¼	14.39
GMAC O/S Fin. 12⅞ 88	100	92½	93	+0⅛	−0¼	14.59
Gen. Mtrs. O/S 11¾ 87	100	89⅛	89⅝	0	−0⅝	14.28
GTE Fin. 13¾ 86 (WW)	50	99	99½	+0⅛	+0½	13.93
Hudson's Bay 11½ 90	75	85⅞	86⅜	+0¼	−0½	14.27
IBM Wld. Trade 12½ 88	200	95½	96	+0⅛	−1⅛	13.48
Newfoundland 13½ 90	60	96⅜	96⅞	+0¼	+0⅛	14.17
Nova Scotia 10¾ 90	50	82⅛	82⅝	−0⅛	−0⅞	14.26
OKB 10 85	50	88⅜	88⅞	+0⅛	+0⅛	13.63
Ontario Hydro 13½ 91	100	96⅜	96⅞	0	−0⅛	14.13
Quebec Hydro 11½ 92	100	84⅝	85⅛	+0¼	−0¼	14.26
Queb. Hy. 13 91 (WW)	100	93¾	94¼	+0¼	+0½	14.14
Rovlease 11¼ 85	50	90⅞	91⅜	+0¼	+0¼	14.16
SNCF 12⅞ 85	50	95⅝	96⅛	+0¼	−0⅛	13.72
SNCF 13 91	75	94¼	94¾	+0¼	−0⅜	14.04
Sven Handelsbk 13¾ 88	45	96	96½	+0½	−0⅛	14.63
Sweden 12⅞ 85	150	94⅞	95⅛	+0¼	+0¼	13.85
Swed. Ex. Credit 12 83	50	94¼	94¾	+0¼	+0⅛	14.68
Swed. Ex. Credit 13 86	75	95	95½	0	−0¼	14.40
Tribune O/S Fin. 14 86	50	98½	99	+0¼	−0⅛	14.35
World Bank 9¾ 85	200	87½	88	+0¼	−0⅜	13.74
World Bank 10¾ 87	300	85½	86	+0¼	−0⅛	13.78

Average price changes... On day +0⅛ on week −0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asia Dev. Bk. 8⅞ 90	100	90⅞	91⅜	+0⅜	+0⅞	9.81
Australia 8⅛ 90	250	94½	95	+0⅛	+0⅞	9.00
Austria, Rep. of 8¾ 92	150	88⅝	89⅛	−0¼	−0¾	9.88
CECA 7⅞ 92	150	87½	88¼	0	−0⅜	9.66
CECA 10 91	120	102	102½	—	—	9.61
Cll-Honeywell 8½ 90	125	91⅜	91⅞	0	0	9.79
EIB 8¼ 90	200	91⅜	91⅞	0	−1	9.80
EIB 10½ 91	200	102⅜	102⅞	—	—	10.09
ESCOM 9¾ 87	100	93⅞	94⅜	0	+2½	10.48
Iberduero SA 9 90	100	92⅝	93⅛	+1⅛	+1	10.78
Ind. Bk. Finland 8½ 90	50	90⅝	91⅛	+0⅛	−0½	10.03
Int.-Amr. Dv. Bk. 10 91	100	100	100½	—	—	9.93
Japan Air Lines 8⅞ 87	100	92⅞	93⅜	+0⅛	−0¼	9.53
Japan Dev. Bank 7¾ 87	100	90⅜	90⅞	0	+0⅛	9.66
Kobe, City of 8 90	100	89⅞	90½	+0½	−0⅛	9.65
Midland Int. Fin. 8½ 90	180	92⅝	93⅛	0	−1	9.84
Nuclebras 9¾ 88	100	88½	89¼	+0⅛	+1⅛	12.07
OKB 8¾ 92	150	89⅝	90⅛	0	0	9.78
Oslo, City of 8¾ 90	80	96¼	96¾	0	−1⅛	9.34
Venezuela, R. of 9¾ 90	150	94½	95	0	+0¼	10.65
World Bank 8 90	700	88⅛	89	+0⅛	−0⅝	9.91
World Bank 10 86	150	102⅞	103⅜	0	−0⅛	9.16
World Bank 10 90	200	101⅜	101⅞	−0⅞	−2	9.74

Average price changes... On day +0⅛ on week −0¼

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Austria, Rep. of 5¾ 90	100	91	91½	−1⅞	−1⅛	6.67
BFCE 6½ 91	100	100¾	101	+0¼	−0¾	6.38
Bayer Int. Fin. 5¾ 92	100	92	92¼	+0⅞	−0½	6.23
Bergen, City of 6 90	50	96	96⅛	−1¼	−1⅛	6.57
Buhrm'n-Tetterode 7 90	40	101¾	102	+0¼	0	6.71
Copenhagen Tele 5¾ 90	60	†91½	92	0	0	6.96
Denmark 5¾ 90	80	92	92¼	+0⅛	+0½	6.92
Dome Petroleum 5½ 91	100	84½	84¾	−0⅛	−0¼	6.50
Elet. de France 5¾ 90	100	93	93¼	+0½	−1⅞	6.23
Eurofima 5¾ 92	80	†96½	97½	−2¾	−2⅝	6.12
F. G. H. Hypo. Bk. 6 90	50	*†95½	96	−0¼	−0½	6.63
Finland, Rep. of 5⅝ 90	80	†91	92	0	+0¼	6.88
Int.-Amer. Dev. 7 90	80	100	100¼	0	−2⅛	6.98
Japan Dev. Bank 5¾ 90	100	93¼	93½	−0⅛	−1⅞	6.71
Jutland Tele. 5½ 90	50	90	90½	−0⅜	−0⅞	7.01
Mt. Blanc Tunnel 5½ 90	80	92⅝	92⅞	0	0	6.55
Newag 5¾ 90	80	†94	94½	+1⅛	−0⅛	6.59
Norges Komm. 4⅞ 91	100	84⅛	84½	+0⅝	+0¼	6.42
OKB 6 90	100	95½	95¾	−0¼	−1⅛	6.65
Oslo, City of 4¾ 91	100	82	82¼	+0⅛	+0⅛	6.80
Oslo, City of 5⅞ 90	80	93¼	93½	−0⅞	−0½	6.84
Philips Lamps 5¾ 92	100	91½	92	+0⅞	+1⅛	6.28
Sekisui Pre. Hms. 6 90	80	†97½	98½	+0⅛	+0⅛	6.29
Trade Dev. Fin. 6⅛ 90	50	95¾	96	−0½	−0⅜	6.72
Voest-Alpine 5¾ 90	80	93⅛	93¾	+0⅛	+0⅛	6.67
World Bank 6 91	100	†95	95½	−0⅛	−0⅜	6.67

Average price changes... On day −0⅛ on week −0⅜

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	93⅞	94⅞	−0⅛	0	8.47
Australia 6½ 88	20	87⅛	87⅞	−0¼	−0⅛	8.96
EIB 7¾ 89	12	93½	94½	+0⅛	+0⅛	8.77
Finland 5.6 83	10	92¼	93⅛	−0¼	+0⅛	8.82
Finland 6.8 88	10	87¾	88¾	0	0	9.13
Finland, Rep. of 8⅛ 87	15	97⅞	98⅝	+0⅛	+0½	8.90

Average price changes. On day 0 on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10¾ 86 C$	60	90½	91¼	−0⅜	−0⅜	13.14
CIBC 13½ 85 C$	50	97¼	98	−0¼	−0½	14.27
CIBC 11½ 85 C$	60	90⅝	91⅛	−0⅛	−1	14.49
Federal Dev. 11½ 90 C$	60	†84¼	85¼	−0¼	−0¾	14.45
Fst. Can. Inv. 10 84 C$	50	†88½	89¼	+0¼	0	14.66
R. Bk. Canada 10 86 C$	40	91⅛	92¼	+0⅛	−0½	12.24
Tordom Cpn. 13½ 85 C$	30	†97¾	98½	0	−0¼	14.10
M. Bk. Dnmk. 9 91 EUA	25	90	91½	−0¼	−0½	10.47
SOFTE 8¾ 89 EUA	40	86	87	−0¾	+0⅛	10.85
U. Bk. Nrwy. 9½ 90 EUA	18	96¼	98	−0⅜	−0¼	9.95
Algemene Bk. 10¾ 86 Fl	60	96⅞	97⅜	+0⅝	0	11.10
Bk. Mees & H. 10 85 Fl	75	96⅞	97⅜	+0⅛	−0¾	10.83
Heineken NV 10 87 Fl	100	94¾	95¼	−0¼	−1¼	11.12
Nat. Nedrlndn. 10 88 Fl	60	94⅛	94⅞	+0½	−0⅝	11.15
Ned. Midd. Bk. 10 85 Fl	75	98½	99	+0¼	−0⅛	10.33
Pierson 10¾ 86 Fl	50	97⅞	98⅜	−0¼	−0⅜	10.75
Aero Paris 13⅞ 87 FFr	150	93¾	94¾	0	−0⅜	14.51
Charb'nages 13¾ 85 FFr	400	98⅞	99⅞	−0⅜	−0½	14.20
CECA 14¼ 86 FFr	150	99½	100½	0	−0¼	14.25
EIB 14⅛ 88 FFr	300	98¼	99¼	0	−0½	14.39
Gaz de France 11 84 FFr	150	91½	92½	0	−0⅜	13.92
La Redoute 14¾ 85 FFr	125	95¼	96¼	−0¼	−0⅛	15.65
OKB 14 86 FFr	400	98⅝	99⅝	0	−0½	14.23
Solvay et Cie 14¾ 86 FFr	200	101⅞	102⅞	−0¼	−0½	14.04
Utd. Mex. Sts. 14 85 FFr	150	96⅝	97⅝	0	−0⅛	14.88
Acona 14 86 £	20	95⅛	96⅛	−0¼	−0½	15.27
Beneficial 14¼ 90 £	20	92⅞	93⅜	−0½	−1⅛	15.63
BNP 13½ 91 £	15	95⅝	96⅜	−0⅜	−1	14.25
CECA 13½ 88 £	20	96	96¾	−0¾	−0½	14.26
Citicorp O/S 13½ 90 £	50	95⅛	96⅛	−0¼	−0¾	14.30
Fin. for Ind. 14½ 88 £	20	99⅛	99⅝	−0½	−0⅜	14.63
Fin. for Ind. 13¾ 87 £	20	97½	98	−0⅞	−0⅜	14.25
Gen. Elec. Co. 12½ 89 £	50	93⅜	94⅛	−0¼	−0⅜	13.78
Peugeot SA 14 90 £	23	94½	95	−0¼	−0⅛	15.04
Rothschild 14½ 90 £	12	97⅛	97⅝	−0¾	−0¾	14.71
Royal Trustco 14 86 £	12	99	99¾	−0⅛	−0⅛	14.18
Swed. Ex. Cr. 13¾ 86 £	20	99⅛	99⅞	—	—	13.85
Banobras 8¾ 90 KD	7	†91½	92	+2	+2	9.66
CCCE 8⅛ 91 KD	10	†82½	83	0	0	11.07
Sonatrach 8½ 90 KD	12	†94	94½	+2	+2	9.48
Akzo 9¾ 87 LuxFr	500	86½	87½	0	−1⅛	12.21
Euratom 9¾ 88 LuxFr	500	90	91	−0⅞	−1⅛	11.85
Eurofima 10½ 87 LuxFr	500	93	94	−1⅞	−2¼	11.95
EIB 9¾ 88 LuxFr	600	89	90	−1¼	−2⅛	12.08
Volvo 9¾ 87 LuxFr	500	87	88	−1½	−1⅞	12.60

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bank 5¼ 87	0⅛	99⅛	99⅜	2/7	16⅝	16.71
Bank of Montreal 5¼ 90	0¼	99¾	100¼	18/6	19½	19.50
Bank of Tokyo 5¼ 89	‡0⅛	98⅞	99⅜	25/4	19.31	19.48
BBL Int. 5 86	0¼	99⅜	99⅞	20/5	16½	16.56
Bergen Bk. A/S 6 89	‡0¼	†98⅞	99⅞	29/5	17⅛	17.32
BNP 5½ 88	‡0⅛	99½	100	29/4	18.69	18.73
CNT 5¼ 86	§0¼	99⅝	99⅞	16/4	13⅛	13.30
Christiania Bk. 5½ 91	‡0⅛	97⅝	98⅛	5/5	17⅜	18.14
Citicorp O/S F. 84	‡0	99	99½	31/3	16.81	16.94
C. Itoh 5¼ 87	0¼	99¾	99⅞	18/9	15.44	15.50
Co-operative Bk. 6 86	0¼	97¾	98¼	15/5	15¼	15.56
Den Norske Credit 6 90	‡0¼	98¼	98¾	5/5	17¾	18.02
Genfinance 5¼ 87	0⅛	99	99½	30/4	15⅛	15.24
Giro und Bank 5¼ 91	‡0¼	97⅞	98⅞	23/6	14.06	14.37
GZB 5½ 89	‡0⅛	99¼	99¾	1/5	17⅝	18.06
Ind. Bank Japan 5¼ 87	0¼	99	99½	15/4	13.31	13.41
Ind. Bank Japan 5¼ 88	0¼	98⅞	99⅜	9/4	13⅛	13.27
Lloyds Eurofin 8 90 £	0¼	97	97½	3/7	14½	14.91
Lloyds Eurofin 5¼ 92	0¼	98½	99	4/6	17⅛	17.47
LTCB Japan 5¼ 86	0¼	100¼	100⅝	13/6	20.19	20.11
Man. Hanov. O/S 5¼ 94	‡0⅛	98½	99	30/5	17	17.22
Midland Intl. Fin. 5¼ 92	0¼	98⅞	99⅜	5/6	17.19	17.34
Nacional Fin. 6¾ 88	0⅜	99½	100	25/7	17¾	17.79
Nacional Fin. 5½ 88	0⅜	98¼	98¾	25/9	14⅞	15.10
Nat. Bk. Canada 5¼ 88	0¼	98⅛	98⅝	24/9	5¼	5.34
Nat. West. 5¼ 94	§0¼	97⅞	98⅜	14/4	13¼	13.50
Nat. West. 5¼ 92	§0⅛	97⅞	98⅜	23/4	13.69	13.96
Nippon Credit 5¼ 87	‡0¼	99½	100	6/5	17.44	17.48
Sparebanken 6 87	0¼	99⅝	100⅛	19/6	19⅞	19.90
Standard Chart. 5¼ 90	0¼	99½	100	3/9	17.06	17.11
Svenska Hndlsbk. 5 87	0⅛	99⅝	100⅛	15/7	17.81	17.83

Average price changes... On day 0 on week −0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Bow Valley Inv. 8 95	4/81	23.12	97¾	98½	−0⅛	28.80
Canon 6¾ 95	1/81	829	119⅝	120⅝	−0¼	3.05
Credit Suisse 4¾ 93	10/79	1278	98	100	−0½	−0.20
Digicon Fin. 8½ 95	10/81	29.5	103½	105	−0⅛	7.91
Ina Overseas 8¾ 2000	4/81	42	105½	106½	−0¼	7.93
Inchcape Ltd. 8 95	2/81	4.55	†96¼	97¾	−0⅛	1.32
Jaccs 7½ 95	11/80	565	135	136	−0½	12.04
Kotobukiya Co. 7 96	4/81	619	101½	102½	+0⅛	−3.07
Marion Int. Fin. 9 95	12/80	15.6	87	88¼	−0⅛	22.03
Matsushita El. 7½ 95	11/80	590	116⅛	117⅛	+0½	2.36
MEPC 8¾ 96	2/81	2.47	100⅛	101⅛	−0⅜	6.79
Niigata Eng. 7½ 96	1/81	327	106	107	+0⅛	5.89
Nissho-Iwai Co. 8 96	10/80	398	91½	92½	−1½	−1.59
Ricoh 6⅞ 95	8/80	604	119¼	120¼	−2½	−1.77
Sumitomo M. Ind. 7 96	2/81	181	119⅞	120⅞	+1⅛	3.44
Swiss Bk. Cpn. 6¾ 90	9/80	200	83	85	0	11.95
Taylor Woodrow 8¾ 90	1/81	4.94	106⅜	107⅜	+0⅛	0.99
Tokyu Land Con. 7¾ 96	4/81	325	97½	98½	—	2.42
Transco Int. 8¾ 95	2/81	88	89¼	90¼	0	30.91
Tricorp 8½ 95	12/80	31.25	89	90½	−0⅛	14.48
Union Bk. Switz. 5 89	2/80	121.4	81⅜	83⅜	−0½	−14.09
Fujitsu 6 84 DM	7/79	431.5	144⅞	145⅞	+1⅞	−1.47
Sharp Cpn. 6½ 88 DM	9/80	595	159⅛	160⅛	−3¼	−3.19
Uny Co. 6½ 85 DM	11/79	879.3	103⅝	104⅝	+0⅛	4.83

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

New product costs put Triumph-Adler deep in the red

BY KEVIN DONE IN FRANKFURT

TRIUMPH-ADLER, the computer and office equipment subsidiary of the Volkswagen *motor group, fell sharply into* loss last year.

The drop into the red in 1980, after operating profitably in 1979, has stemmed chiefly from the growing investment demands for building up a broader sales organisation together with the heavy costs involved in developing and launching new products.

In *addition, Triumph-Adler* has been burdened by the falling sales *of its U.S. subsdiary,* Royal Business Machines.

In the *first months* of 1981 Triumph-Adler sales have fallen below the level achieved *last* year and the management is *cautious* about assessing prospects for the current year. The *company* represents VW's first major move to diversify outside the motor industry.

It has restructured its activities in recent months, however, in order to make it more competitive in world markets and has consolidated its domestic interests. *These* are *now* organised into product sectors, *which* are aimed at taking greater account of the increasing importance of electronics products in the group's manufacturing activities.

Triumph-Adler boosted sales by some 33 per cent to DM 1.65bn ($781m) in 1980 from DM 1.24bn. This increase was largely a result of the DM 200m takeover of Pertec in the U.S. at *the end of 1979.* Excluding PUertec, turnover rose *by* 7 per cent.

The takeover of Pertec, a *manufacturer of data* processing systems and computer peripheral equipment, has meant a major shift of emphasis *of Triumph-Adler's business* towards the U.S., where it now dervies some 50 per cent of its sales compared with 35 per cent in 1979.

Salzgitter chief hits at European steel subsidies

BY ROGER BOYES IN BONN

A *LEADING* German steel executive yesterday launched a bitter attack on the high level of state subsidies given to other European producers and warned that the country's steel industry could face a financial crisis unless new voluntary production controls are agreed soon.

Herr Ernst Pieper, head of the state-owned steel group Salzgitter, said in an interview that his company's steel producing division was losing between DM 10m and DM 20m a month.

Germany's European competitors had received some DM 60bn worth of subsidies since the steel crisis began six years ago. As a result German companies which had to survive on a far lower level of subsidy were unable to compete effectively in price terms.

If Salzgitter and other steel concerns are to return to profits in steel production then some DM 50 per tonne will have to be put on the price of steel, *Herr Pieper said.* "However that is not possible under the present tough competitive circumstances."

Salzgitter managed to achieve a balanced result in 1978-79 *after suffering* DM 100m ($50m) losses in 1977-78 and *the hope had been that the concern* could stay in the black or *not drop too seriously* in 1979-1980. However, although figures have not yet been *released*, the situation seems to have deteriorated. Is was too early to talk of bankruptcies, said Herr Pieper, but "none of us can afford to carry on eating into our assets for much longer."

The Salzgitter chief, along with other steel producers such as Thyssen, supports the introduction of a DM 100 to DM 120 per tonne compensation levy on subsidised steel imports from Britain, Italy and other European producers. This, said Herr Pieper, "would provide us with a bridge out of our present *troubles.*"

Sidergasa closes down

BY TOM BURNS IN MADRID

SPAIN'S MOST modern steel company, Siderurgica de Galicia *(Sidergasa), has been granted* permission to suspend payments and *cease operations* only two years after starting production at Betanzos, near La Coruna, north-west Spain. The company is believed to have sustained losses of Pta 1.8bn ($209m) in 1980, its first financial year, and that more than half the deficit was attributable to financial *charges* on bank loans.

Sidergasa was formed in 1974 *under the generous* umbrella of the steel sector development plan drawn up by the then Planning Minister, Sr. Laureano *Lopez Rodo, which awarded con*tracts for steel plants in Galicia and in *what is known as the* Campo de Gibraltar, alongside the British Crown colony.

The company topped sales of Pta 8 bn last year on a production of 500,000 tonnes, 75 per cent of which was exported. Half of Sidergasa's Pta 1.5bn share capital was owned by a number of banks.The remainder was held by shareholders concentrated chiefly in the Galicia region.

Volvo upgrades results

VOLVO, the Swedish motor group, has registered in its final report *on 1980 a profit* before tax of SKr 1.01bn ($222m), writes Westerly *Christner in* Stockholm.

This is slightly ahead of the preliminary figure of SKr 950m announced in January, but *still* substantially short of the SKr 1,24bn reached in 1979. Consolidated sales amounted to SKr 23.8bn, just over the preliminary estimate of SKr 23.6bn, a gain of 1 per cent

Sales outside Sweden rose 1' *per cent, to SKr* 17.87bn, and markets outside Sweden accounted for 75 per cent of turnover, a 1 per cent decrease *from the year before.* Exports amounted to SKr 11.65bn against SKr *11.607bn* previously.

Thomson-CSF near to accord in U.S. deal

By Terry Dodsworth in Paris

THOMSON-CSF, the *French* telecommunications company, has reached an advanced stage in negotiations with Continental Telephone of the U.S. aimed at establishing two joint operations to serve the North American business market. An agreement is expected *within* the next few weeks.

Continental Telephone, which has a turnover of around $600m, is regarded as an *ideal* partner by Thomson because of its business as a consultant and manager of telecommunications systems rather than a manufacturer. Thomson, on the other hand is a designer and producer that is above all looking for a ready-made distribution network in the U.S.

Talks so far are believed to have been aimed at the creation of *two joint* companies. The first of these would sell Thomson's range *of private* exchanges and terminals and the other *would* develop research and manufacturing facilities in the U.S., using *mainly Thomson* technology.

Thomson's efforts in the U.S. led earlier this month to a large contract with GTE Communication Network Systems, a subsidiary of General Telephone and Electronics, the second largest U.S. telecommunications group, under which Thomson is to supply 35,000 videotex terminals for business use.

Solid recovery in Societe Generale profit

By David White in Paris

AN INCREASE of almost 12 *per cent in net profit for* 1980 is reported by Société *Générale, one of the* big three state-controlled French banks, *after a setback in* 1979.

Net earnings for the parent bank, which last year raised capital on the stock market for the first time, climbed to FFr 571m ($116m) from FFr 511m. This was after a sharply higher tax charge of FFr 316m compared with FFr 195m the previous year.

The bank's total assets rose by 20 per cent during the year *to FFr 370.4 bn.* Consolidated results for the group, *which suffered an 18 per cent* drop to FFr 821m in 1979, have still to be published.

French Esso moves ahead

By Our Paris Staff

ESSO SAF, *the French* subsidiary of the Exxon group, *increased* its net earnings last year to FFr 266m ($54m) from FFr 199m, mainly because of two higher dividend payments from its exploration and production offshoot, Esso REP. Esso SAF's profits from refining, transport and distribution rose to FFr 125m from FFr 116m.

The company said that profits from this sector remained "insufficient" because of French Government price controls, despite the advantage enjoyed by the company in receiving supplies at *below-average prices from the* parent Exxon group.

A *net* dividend of FFr 20 is being proposed, up from *FFr 12 last year and FFr 8* the year before.

Sharp gain for Kvaerner

BY FAY GJESTER IN OSLO

NORWAY'S Kvaerner group, *which is involved in heavy* engineering, ship and platform building, reports operating results of NKr 154.6m ($28.5m) for 1980, compared with NKr 109.3m. It expects 1981 to be another good year, and in the *meantime* is paying an unchanged dividend of NKr 12 a share.

Sales last year reached NKr 3.05bn, up 20 per cent. *Capacity* in most group companies was fully employed, and orders *booked during* the year totalled NKr 3.22bn, compared with NKr 1.79bn in 1979.

Kvaerner expects to win the contract to build the steel deck for the third production platform needed on the Anglo-Norwegian Statfjord oil and gas field in the North Sea. It built the deck for the field's second platform, currently being completed in a west Norwegian fjord.

● The Government has approved a *central bank* proposal to lower primary reserve requirements for commercial banks in south Norway to 10 per cent from 13 per cent, equalling that of the savings banks, Reuter reports from *Oslo.*

Pioneer Concrete offers A$182m for mining stakes

BY OUR SYDNEY CORRESPONDENT

PIONEER CONCRETE Services has made an A$182m (U.S.$ *211m*) offer to acquire shares not already owned in two uranium subsidiaries, Queensland Mines and Kathleen Investments (Australia).

The purchase would bring closer the company's objective of establishing a solid base in energy development and related projects as a base for future expansion. Pioneer holds a 59.1 per cent stake in Kathleen Investments, which in turn holds just on 50 per cent of Queensland Mines.

Queensland Mines owns the *small* but rich *Nabarlek* uranium deposit in the Northern *Territory. Commercial pro*duction at the 12,000-tonne *deposit started last year, bring*ing the company A$6.54m *(U.S.$7.6m) profit, to compare* with an A$62,000 loss in 1979. Earnings seem bound to rise further this year—11 years after *the Narbalek discovery.*

Pioneer has ocered four of its shares for every Kathleen unit, or A$8.80 in cash. It has also offered 11 Pioneer shares *for two Queensland Mines, or* A$12.10 a share.

*Pioneer shares traded yester*day unchanged at A$2.50. This means, using the share swap as the guide, Queensland Mines is valued at A$264m and Kathleen at A$123m, while the cash option values the groups at A$230m and A$108m.

The cash alternative has been *underwritten* by J. B. Were and Son, with the underwriters *agreeing to take up for cash the* Pioneer scrip which would otherwise *have been* issued to stockholders if they had accepted the *share* alternative.

The bid for the groups is being mounted through Lunaka Pty., the company which holds Pioneer's stake in Kathleen Investments. Lunaka is controlled equally by Pioneer and the group's 65 per cent subsidiary, Ampol Petroleum.

Ampol has said it will maintain its proportionate stake in Lunaka, and will finance the purchases through an A$62.78m one-for-five rights issue.

The shares are being offered at A$1.50 (including A$1 premium), with Pioneer saying *it will take up its entitlement.*

Sir Tristan Antico, the *Pioneer chairman, said in a* letter to shareholders of the Target groups that Kathleen shareholders accepting the offer would get a more than eightfold increase in income, as well as a 29.9 per cent capital gain in respect to the Pioneer share offer, when compared with the A$7.70 their shares were fetching last Friday.

Queensland Mines shareholders would get an annual income of *55 cents for each of* their shares, compared with the nil dividend on their holdings at present. The capital gain in the share offer was *22.8* per cent in this case, when compared with the A$11.20 closing share price last Friday.

Pioneer yesterday announced a net profit rise of 31.1 per cent to A$19.89m (U.S.$23.1m) in the six months to December 31, from the A$15.17m in the first half of 1979-80. Turnover rose 63.4 per cent to A$483.96m (U.S.$562m), from A$296.10m. The profit figure is struck before an extraordinary gain of A$6.55m, against A$306,000.

Agnelli company plans rights

BY RUPERT CORNWELL IN ROME

IFI, Instituto Finanziario Industriale, the holding company of the Agnelli family, is planning *scrip free and rights* issues to lift its capital to L78bn ($83m) *from the present L48bn. The* group has also acquired outright majority control of the Unicem cement manufacturer.

The share issues *follow* the subscription by IFI and its offshoot IFIL to their full quota of the recent capital increase by Fiat, thus maintaining the interest of the Agnelli family in the car company at 30.3 per cent.

The first stage of the opera*tion, to be approved by share*holders in May, consists of a one-for-eight scrip issue. This will be coupled with a one-for-two rights issue at L2,500 per share.

IFI said last night that the L60bn of funds raised will be used for repaying outstanding debts and for backing *new* investment.

The Fiat group itself is expected to register a profit at *holding company level* of over L60bn for 1980, despite heavy losses by its car division. IFI, which returned a gross profit of L29.6bn in the second half of 1980, expects its international operations to register a substantial increase in profits.

BANK PROFITS IN JAPAN

Freedom urged to meet the squeeze

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

CONTROLS on the Japanese banking industry are squeezing profits to an "alarming extent," and could result in larger institutions being unable to come to the assistance of weaker ones, according to Mr. Ichiro Isoda, president of Sumitomo Bank.

In order to remedy the situation, Mr. Isoda recommends a complete liberalisation of Government controls on interest rates, freedom for banks to sell Government bonds over the counter, and the removal of all restrictions on overseas operations.

Mr. Isoda, whose career with *Sumitomo goes back to the* early 1930s, says that Japan's post-war controlled banking system was a necessary part of the high growth strategy pursued up to 1970. Low and controlled interest rates enabled companies to borrow heavily, so as to finance investment during the high growth period. After the first oil crisis, of 1973-74, however, corporate demand for bank funds declined. At the same time the banks found themselves meeting investors who were becoming far more discriminating than in the past in their choice of assets.

Money that had "automatically" been deposited with the banks in the high growth period thus tended to drift away to other institutions able to pay higher interest rates than those permitted on bank *deposits.*

After 1975, major Japanese banks found themselves obliged to absorb large amounts of Government bonds as Japan sought to reflate the economy by deficit financing. Rigid demarcation lines between banks and securities houses, however, made it difficult for the banks to resell the bonds without incurring heavy losses. In the meantime, old-standing restraints on their international activities made it hard for the banks to service their Japanese customers overseas.

Mr. Isoda estimates that the steady deterioration in bank profits caused by these developments has produced a situation in which even the strongest banks are now starting to suffer. "I am not trying to suggest that Japanese banking is in a state of crisis, but, if there were to be *a crisis, we* might find ourselves in a situation where strong banks were no longer able to help out their weaker counterparts."

Mr. Isoda (whose own bank is one of the largest of the 13 Japanese city banks) says he believes liberalisation of the banking system might lead to a situation where "some amalgamation" of existing banks was necessary. He emphasises, however, that he *does not advocate* a reorganisation for its own sake.

Mr. Isoda suggests that Japanese bank profits in 1980 will probably turn out to have been about 10 per cent lower than the average for *1972-74*, when turnover was much lower. He concedes that some valuable progress has already been made towards unshackling the industry (the introduction of *free call money* market and bill discount rates are cited as examples). What is needed now, in Mr. Isoda's view, is the freeing of all "key" interest rates.

Gulf war risk insurance cost cut

BY KATHY BISHTAWI IN ABU DHABI

THE ARAB War Risks Syndicate, set up this year, has brought down the cost of war risks' insurance by 25 per cent *for Gulf clients, according to* Mr. Wasef Jabsheh, general manager of the Abu Dhabi National Insurance Company (ADNIC), which is a syndicate member.

Some two-thirds of all the Gulf insurance of this kind would now be channelled through the syndicate, he said here. The syndicate's gross premium income for this year was expected to amount to more than $10m.

The Arab War Risks Syndicate is an association of 27 Gulf insurance companies, which is now handling, on the war risks side, all of the Gulf owned general cargo and tanker business as well as the region's offshore oil installations. About *two thirds of this business was* being re-insured through Lloyd's, however.

The Abu Dhabi Insurance Company is one of the largest insurance companies in the Gulf region. At the annual meeting held in Abu Dhabi over the weekend, Mr. Jabsheh announced that total gross premiums were more than US$67m in 1980, an increase of 30 per cent over the previous year's figures. Net profits recorded by the company, which is in only its fifth year of operation, were nearly US$14m, for a jump of 62 per cent. Nearly half the business was in the marine field.

However, Mr. Jabsheh told shareholders that the results should not be allowed to obscure that the insurance business in the Gulf region was going through a difficult period. "Insurance rates in 1980 continued to cause anxiety, particularly in the property and marine fields. Rates should," he argued, "return to what they were five years ago—30 per cent higher than they are today."

The Abu Dhabi National Insurance Company is 25 per cent owned by the Emirate of Abu Dhabi, and handles most of Government contractors' insurance.

Property worth HK$341m for Chiap Luen

By Adrian Boven in Hong Kong

MR. M. CHUNG, the property developer who last month *bought control of Chiap Luen* Enterprises, an inactive property company, has announced that other companies controlled by him are to sell property worth HK$341m *(U.S.$65m) to Chiap Luen.*

A general offer, required under Hong Kong's takeover code, for all Chiap Luen shares at HK$6.60 a share resulted in acceptances for only 4.07m *shares or 3.1* per cent of the total outstanding, leaving Mr. Chung with 51.9 per cent.

The circumstances surrounding the offer have come under investigation from the Office of *the Commissioner for Securi*ties because Chiap Luen's share price has climbed sharply on the market in the last few days after having held relatively steady, near Mr. Chung's offer price, for several weeks.

Mr. Chung said his original intention had been to finance the purchases through a rights issue, but because market conditions were inappropriate, the *payment was to take the form* of $5.54m new shares of Chiap Luen, valued at HK$6.80 a share, and HK$100m in cash, which would remain on loan account with the vendors.

Mr. Chung also announced that Chiap Luen is to make a one-for-two scrip issue to shareholders on the books on April 25, that the company's name is to be changed to Dada Investments and that the authorised capital is to be increased to HK$600m from HK$250m. The changes are subject to approval at an extraordinary general meeting to be held on April 4.

Hongkong and Shanghai buys Bahamas bank

HONG KONG — The Hongkong and Shanghai Banking Corporation has completed arrangements to acquire a 78 per cent interest in Equator Bank, a merchant bank incorporated in the Bahamas which provides trade and project financing to West, Central, and East Africa.

Initially Wardley will acquire 72 per cent and Marine Midland Bank NA, a subsidiary of Marine Midland Banks, 6 per cent. Both are in the Hongkong Bank group.

Hongkong Bank interest cost U.S.$6.6m and the present controlling shareholder, the Royal Bank of Canada, has withdrawn from Equator.

Reuter

Sharp rise in earnings for Pick n Pay Stores

BY JIM JONES IN JOHANNESBURG

PICK N PAY STORES, one of South Africa's largest and fastest growing food retailers, increased pre-tax operating income by 45 per cent to R22.2m (US$27.7m) in the year to February from R18.1m. Turnover was 35.5 per cent higher at R745m ($929m) against R555m.

The improvement is attributed to increased non-food sales, which carry larger profit margins than food, and to greater penetration of the food market. Two new hypermarkets and four supermarkets were opened in the year, leaving the company with seven hypermarkets and 49 supermarkets.

Pick n Pay also benefitted from significantly higher levels of consumer spending and says that the trend is continuing. However, the directors say it is difficult to predict the duration of the present vigorous economic climate.

*In the current year, the com*pany plans to extend its operations into parts of the country not already covered. There are plans to open another hypermarket and six supermarkets.

Dividends totalling 256 cents, against 160 cents have been declared from earnings per share of 717 cents compared with 481 cents.

SA Brewing in takeover defence move

BY OUR SYDNEY CORRESPONDENT

SA BREWING HOLDINGS has mounted a classic defensive campaign to protect itself against takeover, by announcing a 50 per cent capital increase and an asset revaluation.

The decision has been made against the backdrop of the controversial and now ended bid by the Bell Group for Elder Smith Goldsbrough Mort, another large and old South Australian ompany, significant changes in shareholdings, and a resultant increase in the company's share price.

SA Brewing's chairman, Sir Norman Young, took time off from the Elder saga—which, as reported Saturday has entered a new phase of controversy with pressure being placed on the friends who bought out the Bell Group to extend the offer—to announce the one-for-two issue. He is also chairman of Elder, the embattled, Adelaide-based, diversified industrial group.

SA Brewing was questioned by the Adelaide stock exchange just over a week ago, following heightened activity in its shares which had pushed them up from A$1.20 to A$1.45.

The issue was announced after a hurriedly convened board meeting and was made: "In the light of happenings on stock exchanges of Australia earlier this week," a reference, it is understood, to the Elder takeover attempt.

At present SA Brewing would be hard pressed to call on assistance from other major South Australian companies in the event of a bid, as many would have made large financial commitments to the defence of Elder. The issue will boost SA Brewings capital from A$52.8m to A$79.2m (US$93m) in fully paid 50 cent units. The directors have not given details of the proposed asset revaluation.

هكذا من الأصل

BOND DRAWINGS

CITY OF TURIN
U.S.$ 9% Bonds 1991

S.G. WARBURG & CO. Ltd., announce that the annual instalment of Bonds for a nominal value of U.S.$500,000 have been met by purchases in the market to the nominal value of U.S.$368,000 and by a Bond drawing to the nominal value of U.S.$132,000.

The distinctive numbers drawn in the presence of a notary public are as follows:—

70	125	186	275	370	474	554	649	702	782
861	929	1024	1096	1136	1284	1346	1449	1529	1591
1643	1707	1769	1851	1912	2074	2200	2285	2454	2556
2655	2731	2795	2902	2972	3129	3255	3340	3412	3500
3716	3831	3899	3950	4002	4089	4242	4360	4411	4469
4549	4623	4712	4907	4967	5035	5170	5240	5299	5399
5460	5526	5590	5642	5696	5749	5813	5867	5946	6002
6052	6113	6173	6351	6420	6502	6567	6640	6794	6922
7004	7130	7201	7252	7302	7376	7773	7822	7871	7921
7970	8020	8069	8119	8167	8215	8265	8314	8364	8413
8463	8512	8562	8610	8660	8709	8759	8807	8856	8906
8955	9004	9053	9103	9152	9202	9251	9301	9350	9400
9446	9495	9545	9594	9644	9693	9743	9792	9841	9890
9940	9989								

On 1st May, 1981, there will become due and payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:—

S.G. WARBURG & CO. LTD.,
30, Gresham Street, London, EC2P 2EB

or with one of the other paying agents named on the Bonds.

Interest will cease to accrue on the Bonds called for redemption on and after 1st May, 1981 and Bonds so presented for payment must have attached all coupons maturing after that date.

U.S.$5,000,000 nominal Bonds will remain outstanding after 1st May, 1981.

The following Bonds drawn for redemption on dates stated below have not yet been presented for payment.

1st May, 1977
Nos: 316 3635

1st May, 1978
Nos: 162 2780

30, Gresham Street, London, EC2P 2EB — 31st March, 1981

COMPANY NOTICES

AAC

TRANSVAAL GOLD MINING COMPANIES
ADMINISTERED BY
ANGLO AMERICAN CORPORATION

(Both of which are incorporated in the Republic of South Africa)

CLOSING OF REGISTERS

For the purpose of the annual general meetings and the general meeting of the undermentioned companies to be held at 44 Main Street, Johannesburg, on Tues, April 21, 1981, at the times stated below, the transfer registers and registers of members of the companies will be closed from April 13 to 21 1981, both days inclusive:

Name of company	Time of annual general meeting	Time of general meeting
The South African Land & Exploration Company Limited	08.30	—
Elandsrand Gold Mining Company Limited	09.00	*09.15

* or immediately following the termination of the annual general meeting, whichever is the later.

By order of the boards
Anglo American Corporation of South Africa Limited
Secretaries
per C. R. Bull
Divisional Secretary

Registered Office:
44 Main Street
Johannesburg 2001

Postal Address:
PO Box 61587
Marshalltown 2107

London Office:
40 Holborn Viaduct
London EC1P 1AJ

March 31, 1981

WESTERN AREAS GOLD MINING COMPANY LIMITED
ELSBURG GOLD MINING COMPANY LIMITED
THE RANDFONTEIN ESTATES GOLD MINING COMPANY, WITWATERSRAND, LIMITED

(All Incorporated in the Republic of South Africa)

ABRIDGED NOTICE OF ANNUAL GENERAL MEETINGS AND CLOSING OF TRANSFER REGISTERS

The annual general meetings of the above companies will be held in the board room, Consolidated Building, corner of Fox and Harrison Streets, Johannesburg, as follows:

	Date of Meeting	Time of Meeting
Western Areas Gold Mining Co. Ltd.	27th April, 1981	09.15
Elsburg Gold Mining Co. Ltd.	27th April, 1981	10.00
The Randfontein Estates Gold Mining Co., Witwatersrand, Ltd.	27th April, 1981	11.00

The Transfer Books and Registers of Members of these companies will be closed from 21st April, 1981 to 27th April, 1981 both dates inclusive.

In respect of each of these meetings, any member of the company concerned is entitled to appoint a proxy to attend and to speak and to vote in his stead. A proxy need not be a member of the company.

Holders of share warrants to bearer desirous of attending in person or by proxy or of voting at the meeting and at any adjournment thereof, are required to comply with the regulations of the company relating to share warrants. Copies of the regulations are available on application to the Head Office of the company or to the office of the London Secretaries.

By Order of the Boards
JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED
Secretaries
per M. J. MEYER

Consolidated Building,
corner of Fox and Harrison Streets,
Johannesburg, 2001.
(P.O. Box 590, Johannesburg, 2000).
30th March, 1981.

NOTICE TO DEBENTURE HOLDERS
NEWFOUNDLAND AND LABRADOR HYDRO 9¾%
DEBENTURES OF 1976 DUE MARCH 15, 1986

Pursuant to the provisions of the Purchase Fund, notice is hereby given to Debenture holders that nominal US$450,000 have been purchased for the Purchase Fund during the twelve-month period from March 15, 1980, to March 14, 1981.

Amount outstanding: US$23,809,000

NEWFOUNDLAND & LABRADOR HYDRO

March 31, 1981.

NOTICE TO BONDHOLDERS
IMATRAN VOIMA OSAKEYHTIO 9¾%

20,000,000 European Units of Account
1975/1985 Guaranteed Bonds

Pursuant to the provisions of the Purchase Fund notice is hereby given to Bondholders that nominal UA 1,450,000 have been purchased for the Purchase Fund during the twelve-month period from March 25, 1980, to March 24, 1981.

Amount outstanding: UA 18,550,000. — IMATRAN VOIMA OSAKEYHTIO

March 31, 1981

NOTICE OF REDEMPTION
SOCIETE DEVELOPPEMENT REGIONAL "SDR"

9½% 1975-1987 EUA, 25,000,000

Holders in the above mentioned issue are hereby informed that following early redemption of EUA 525,000 effected on May 5th, 1979 the amortisation quota of May 5th, 1981 has been fixed at EUA 1,950,000.

The bonds to be repayed have been drawn by lot on March 17th, 1981, in the presence of a notary public and bear the following numbers, taking into account the bonds previously drawn:

1177 to 3126 inclusive.

These bonds will be redeemable at par on and after May 5th, 1981 with all unmatured coupons attached thereto.

The principal amount of bonds outstanding after the amortisation on May 5th, 1981 will be EUA 16,574,000.

Finally, it is recalled that the following bond numbers which have been drawn by lot in 1978, 1979 and 1980 have not yet all been presented for payment:

17372 to 17897 inclusive
3387 to 5386 ..
15372 to 17371 ..
6838 to 8787 ..

BANQUE INTERNATIONALE A LUXEMBOURG
Société Anonyme
Fiscal Agent

Luxembourg,
March 31st, 1981.

TDK ELECTRONICS CO., LTD.
(CDRs)

The undersigned announces that as from 8th April, 1981, at Kas-Associatie N.V., Spuistraat 172, Amsterdam, div.cp.no. 12 (accompanied by an "Affidavit") of the CDRs TDK Electronics Co., Ltd., each repr. 100 and 1,000 shs, will be payable with Dfls. 11.65 net per CDR repr. 100 shs and with Dfls. 116.50 net per CDR repr. 1,000 shs (div. per record-date 30.11.1980: gross Yen 12.5 p.sh.) after deduction of 15% Japanese tax = Yen 187.5 = Dfls. 2.08 per CDR, repr. 100 shs and Yen 1875.- = Dfls. 20.80 per CDR, repr. 1,000 shs.

Without an Affidavit 20% Jap.tax = Yen 250.- = Dfls. 2.77 per CDR repr. 100 shs and Yen 2.500.- = Dfls. 27.70 per CDR repr. 1,000 shs. will be deducted.

After 30.6.1981 the div. will only be paid under deduction of 20% Jap. tax with Dfls. 10.96 net per CDR repr. 100 shs and with Dfls. 109.60 net per CDR, repr. 1,000 shs. in accordance with the Japanese tax regulations.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, 26th March, 1981.

URQUIJO INTERNATIONAL N.V.
$U.S. 30,000,000.00 FLOATING RATE NOTES DUE 1986

For the six months, March 23, 1981, to September 22, 1981, the notes will carry an interest rate of 14¼% per annum.

The interest due September 23, 1981, against coupon nr 5 will be $U.S. 71.58 and has been computed on the actual number of days elapsed (184) divided by 360.

THE PRINCIPAL PAYING AGENT,
SOCIETE GENERALE ALSACIENNE DE BANQUE
15, Av. E. Reuter
LUXEMBOURG

THE SANKO STEAMSHIP CO., LTD.
(CDRs)

The Board of Directors of The Sanko Steamship Co., Ltd. has announced that shareholders, who will be registered in the books of the Company on March 31st, 1981 (Tokyo time), will be entitled to receive a 2% gratis distribution of new shares. Consequently the undersigned designated div.cp.no. 17 of the CDRs for this purpose.

In Japan the shares are traded ex-bonus as from March 27th, 1981.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, 26th March, 1981.

CANADIAN PACIFIC LIMITED
(Incorporated in Canada)

NOTICE TO SHAREHOLDERS

The 100th Annual General Meeting of the Shareholders of this Company, for the election of directors to take the places of the retiring directors and for the transaction of business generally, will be held on Wednesday, the 6th day of May next, at Odeon Cinema, Place du Canada, Montreal (entrance via Le Chateau Champlain), at 11.00 a.m. (daylight saving time, if operative).

The transfer books of shares and stock will be closed at the close of business on Tuesday, the 28th day of April, 1981 and will be reopened on Thursday, the 7th day of May, 1981.

The Board of Directors has specified that the time before which a shareholder intending to vote by proxy at the Annual General Meeting or any adjournment thereof must deposit his proxy with the office of the Vice-President and Secretary at Montreal, Que. shall be 5.00 p.m. (daylight saving time, if operative) Monday, May 4th, 1981.

By Order of the Board,
J. C. AMES.
Vice-President and Secretary.

Montreal,
March 9th, 1981.

PERUVIAN NATIONAL LOAN

6% EXTERNAL SINKING FUND BONDS 1928
(Second Series)

S. G. WARBURG & CO. LTD. (Incorporating Seligman Brothers), announce that Coupon No. 105 due 1st April, 1981 from bonds of the above-named loan, which have been over-printed to indicate acceptance of the offer made on behalf of the Republic of Peru, as published in "The Times" and the "Financial Times" on 1st October, 1954, may now be lodged for payment.

30, Gresham Street,
London EC2P 2EB.

31st March 1981.

APPOINTMENTS

HUNDRED THOUSAND DOLLARS PLUS

If you have been selling financial products (insurance, mutual funds or real estate). Our company has openings in the Middle East, Far East and South America. Commissions commensurate with experience.

Send your C.V. to:
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1216 GENEVA 15, Switzerland.

LEGAL NOTICE

THE COMPANIES ACT, 1948
IN THE MATTER OF
ARDEN FELT ROOFING LIMITED
(Builders and ancillary work)

Winding-up Order made 16 March 1981.

Date and place of first meetings: Creditors 28 April 1981, at 11.00 am; Contributories 28 April 1981, at 11.30 am. Both meetings to be held at Official Receiver's Office, 3rd Floor, Colman House, Victoria Avenue, Southend on Sea, Essex, SS2 6EF.

G. B. SELLERS,
Official Receiver.
(Acting as Deputy for the *Official Receiver attached to the* High Court of Justice.)

PUBLIC NOTICE

COUNTY OF CLEVELAND
VARIABLE RATE
REDEEMABLE STOCK 1984

The Council of the County of Cleveland announces that the half-yearly payment of interest due on 29th September, 1981 on the above Stock will be at the rate of £6.8438 (less Income Tax) per £100 stock.

CONTRACTS AND TENDERS

BAKHRABAD GAS SYSTEMS LIMITED

(An Enterprise of Petrobangla)

Invitation for Pre-qualification of Bakhrabad-Chittagong Gas Pipeline Construction Contract

—CLOSING DATE EXTENSION—

This is to notify potential bidders that the closing date for the pre-qualification of Bakhrabad-Chittagong Gas Pipe Line Construction Contract, issued on 5 April 1981, has been extended to 6 April 1981.

These documents were available from selected embassies of Bangladesh in Bonn, Brussels, London, Ottawa, Paris, Rome, Singapore, Tokyo and Washington D.C.

MATERIAL ENQUIRY FOR STEEL LINE PIPE

This is to notify bidders that with respect to the enquiry for steel line pipe, issued on 19 February 1981 in Dacca, Bangladesh, that the closing date for submittals of tenders has been extended to 9 April 1981.

BAKHRABAD GAS SYSTEMS LIMITED
Head Office: P.O. Box 97, Comilla, Bangladesh
Telex: Petrodac 725-Dacca
Liaison Office: House No. 339 B, Road 28 Old
15 New Dhanmondi Residential Area, Dacca 5, Bangladesh

Business and Investment Opportunities

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

IMPORTANT ANNOUNCEMENT

The economic road has been a difficult one for many companies. High interest rates, volatile foreign exchange rates and a world-wide recession have combined to create conditions to which it has necessarily taken industry time to adjust.

Those companies who have succeeded have had to call upon their uttermost managerial skills and additional expertise available to them both from the inside and, on occasion, from outside their own organisations.

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The business of Sales Accounting Systems Limited is to assist companies convert a passive asset (accounts receivable) into an active agent of commercial growth (cash) and the demand for our services has obliged us to move to more suitable premises. With immediate effect, please contact us at:

Suite Three
55 Park Lane
London W1Y 3DH
Telephone: 01-493 2380

INTERESTED IN MERGING OR EXPANDING in these difficult times ?

Our clients are looking for companies in the following fields:-
Office Equipment and/or Office Furnishing
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In the first instance, please contact in confidence:
John Whitney at

Chadwick Securities LIMITED
Scottish Provident House, 1 & 2 Waterloo Street, Birmingham B2 5PQ.
Tel: 021-643 2441/2.

FINANCE FOR THE DEVELOPING COMPANY

Obtain details of our

Factoring and Invoice Discounting Services

ARBUTHNOT FACTORS LTD.
Breeds Place, Hastings TN34 3DG
Contact: S. E. Finch Tel.: 0424 430824
or Telephone:

London 01-638 1301. — Leeds 0532 444578.
Birmingham 021-454 7962. — Manchester 061-236 9777.
Newcastle 0632 614545. — Nottingham 0602 598821.

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Research and Development Company require equity participation from sales-orientated company, to launch a new patented catering machine with high-volume potential both U.K. and overseas.

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Louisiana Office of Commerce & Industry
Justinianstrasse 22, Dept. T, D-6000
FRANKFURT (Main) 1, West Germany
Telephone (49-611) 590051, Telex 41 4561 ICO D

15 Avenue Victor Hugo, Dept. T
75116 PARIS, France
Telephone (33-1) 502-1800,
Telex 620 869 F

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For further details contact the Managing Director on 056581 2899

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to arrange a confidential meeting

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10 Cannon Street, EC4P 4BY

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We are a privately owned engineering group with considerable involvement in the production of filter elements and porous media.

We are seeking to extend our activities to the manufacture of a standard range of high-value complete filter units for general industrial use.

The acquisition of a suitable filter unit manufacturer could be a feasible solution but alternatively we would be interested in discussing our plans with individuals who consider that they have knowledge and experience which could be used to launch a new enterprise.

All communications in strictest confidence to
Group Managing Director,
Box F.2028, Financial Times,
10 Cannon Street, EC4P 4BY.

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Emphasis on lower echelons in factories and offices. Also for Sales Professionals. Latest release is westernised version of Japanese QUALITY CIRCLES. Audio-visual programmes with individual workbooks for problem-solving. Separate Conference Leader's Guides. 1-3 days' duration. Thoroughly professional, well-structured, yet simple; excellent for in-house use without outside assistance. Require little if any modification for UK use.

Write Box F2016, Financial Times, 10 Cannon Street, EC4P 4BY

WHO REQUIRES OUR CAPITAL AND EXPERTISE ?

Close Company with strong Balance Sheet currently trading in metals, minerals, alloys and chemicals has substantial underemployed funds. Would be interested in any form of participation in like trade whether financial or marketing where its funds could be utilised profitably. Alternatively other risk capital ventures would be considered.

Please contact The Chairman, Box F2018
Financial Times, 10 Cannon Street, EC4P 4BY

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0532 502251

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(T/O £1M.)

wishes to combine with similar sized organisation, utilising, if suitable, other company's management team and facilities or vice versa.

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PARTNER REQUIRED for profitable export sale of sophisticated plant and machinery. Contact "Coriolan Developments," Box F.2024, Financial Times, 10, Cannon Street, EC4P 4BY.

LEADING INFORMATION COMPANY in the microelectronics field is seeking finance for well-defined future projects. Investment only or investment/participation in activities. Write Box F.2022, Financial Times, 10, Cannon Street, EC4P 4BY.

IS YOUR COMPANY'S expansion causing cash flow problems? If you have cash tied up in book debts, receivables financing could enable you to finance extra turnover and increase profits. For full details tel. M. G. Bingham (0533) 700988/551362.

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£400,000

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Financial Times
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Phone Managing Director on
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AGENT REQUIRED for presswork company. West Midlands based. Non-motor car business required. Tel: (0902) 87766.

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COMPANY NOTICE

AAC

TRANSVAAL GOLD MINING AND ASSOCIATED COMPANIES
ADMINISTERED BY
ANGLO AMERICAN CORPORATION

(All of which are incorporated in the republic of South Africa)

CLOSING OF REGISTERS

For the purpose of the annual general meetings of the under-mentioned companies to be held at 44 Main Street, Johannesburg, on Friday April 24 1981, at the times stated below, the transfer registers and registers of members of these companies will be closed from April 16 to 24 1981, both days inclusive:

Name of Company	Time of annual general meeting
Southvaal Holdings Limited	08h30
Vaal Reefs Exploration and Mining Company Limited	08h45
Western Deep Levels Limited	09h00
The Afrikander Lease Limited	10h00
East Daggafontein Mines Limited	10h15

By order of the boards
Anglo American Corporation of South Africa Limited
Secretaries
per C. R. Bull,
Divisional Secretary.

Registered Office
44 Main Street,
Johannesburg,
2001.

Postal Address
PO Box 61587,
Marshalltown,
2107.

London Office
40 Holborn Viaduct,
London,
EC1P 1AJ.

March 31, 1981.

LEGAL NOTICE

IN THE MATTER OF
ERSKINE CLOTHING MANUFACTURING CO. LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 6th day of May, 1981, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned

STEPHEN DANIEL SWADEN, FCA,
of Leonard Curtis & Co.,
3/4 Bentinck Street,
London W1A 3BA,

the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 25th day of March, 1981.

S. SWADEN, Liquidator.

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Rolling Mills, Slitting M/cs, Decoil Flatten and Cut-to-Length Lines, Sheet Levelling, Wire Drawing, Bar Reeling and Straightening, Swaging, Wire Decoil Straightening and Cut-to-Length, Scrap Balers, Shears, Saws and associated equipment.

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For inspection please contact
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WORLD STOCK MARKETS

Wall St. mixed in early trade

STOCKS ON Wall Street were narrowly mixed after light trading at mid-session yesterday as investors remained cautious about the interest rate outlook and developments in Poland.

The Dow Jones Industrial Average, after receding 11 points last Friday, edged up 2.61 to 997.39 at mid-day. The NYSE All Common Index hardened 3 cents to $77.62, but declining issues outscored gains by a small margin. Turnover amounted to 19.16m shares at noon.

Marine Midland Bank raised its broker loan rate to 15½ per cent from 15, joining two other big banks. Rising broker loan rates often signal Prime Rate increases. However, the Federal Reserve added funds to the banking system, limiting the rise in the Federal Funds Rate.

The official Polish news agency said the Polish trade union Solidarity has called off its general strike, planned for today. Gold shares fell as Bullion prices declined following the news on Poland. ASA retreated 2¼ to $52¼, Homestake Mining 2¼ to $56¾ Campbell Red Lake 2⅝ to $52 and Dome Mines 3½ to $85¼.

Twentieth Century-Fox gained ¾ to $55¾ and Chris Craft Industries ⅜ to $35⅞. Kirk Kerkorian may make new proposals to Fox following the end of a bid for Fox by Denver oilman Marvin Davis. Chris Craft holds 22 per cent of Fox.

National Medical Care lost 1⅜ to $21½. Its president is to resign at the year-end.

Nashua declined 2¼ to $24¼ on forecasting a substantial fall in first-quarter earnings from the $1.25 a share earned in the year-ago quarter.

THE AMERICAN SE Market Value Index firmed 0.13 to 358.00 at noon on volume of 2.64m shares.

Active Houston Oil gained 1⅛ to $50⅞. Tenco said a filing covering its planned take-over of Houston Oil after the spin-off of Houston Oil Trust was declared effective by the Securities and Exchange Commission.

Closing prices for North America were not available for this edition.

Canada

Shares tended to relinquish more of their recently gained ground in moderate activity yesterday morning. The Toronto Composite Index was 5.2 down at 2,328.5 at mid-day, while Golds lost 62.9 to 4,332.8 and Metals and Minerals 13.1 to 2,377.3, but Oil and Gas hardened 2.5 to 4,382.7.

Volume leader Macmillan Bloedell was unchanged at C$48 on 116,731 shares in Toronto. Trading resumed at the opening following clarification of terms of Noranda's bid for its shares. Noranda was off C$⅜ at C$30¼.

Among lower Golds, Campbell Red Lake fell C$1⅜ to C$62⅞ and Dome Mines C$1 to C$104.

Hong Kong

A sharp retreat occurred in moderate trading, with the Hang Seng index falling 63.87 to 1,377.79. Turnover totalled HK$388.23m on the four stock exchanges, against last Friday's HK$504.53m.

The fall was prompted by disappointing prices at land auctions last Friday and rising concern about prospects for the property market, as well as indications of firming U.S. interest rates.

Property companies were hardest hit, Cheung Kong losing HK$2.50 to HK$31.25, HK Land 60 cents to HK$10.80, Sun Hung Kai Properties 90 cents to HK$14.50 and HK Wharf 40 cents to HK$7.80.

Hutchison Whampoa dipped 90 cents to HK$15.70, Swire Pacific "A" HK$1.00 to HK$13.10 and Jardine Matheson HK$1.60 to HK$21.90, while Carrian Investment receded HK$1.25 to HK$8.10, Trafalgar 45 cents to HK$5.80 and Swire Properties 50 cents to HK$14.30.

Tokyo

Shares were higher for choice, with Oil and Coal issues featuring strongly in response to the political unrest in Poland. However, trading was much quieter than of late, volume coming to 320m shares, considerably below last Friday's very heavy 900m and compared with 360m shares traded in Saturday's half-day session.

The Nikkei-Dow Jones Average improved 26.37 to 7,304.69 and the Tokyo SE index 2.20 to 528.25, while rises on the First Market section exceeded falls by 333 to 241.

Sumitomo Coal Mining advanced Y8 to Y248, Mitsui Mining Y13 to Y703, Nippon Oil Y20 to Y1,310, Koa Oil Y14 to Y749, Showa Oil Y12 to Y330 and Teikoku Oil Y40 to Y1,060.

Precision Instruments, high-priced Light Electricals, Steels, Shipbuildings and Heavy Electric Machines generally showed renewed firmness, while Trading Houses edged ahead. Non-ferrous Metals, however, receded after a morning improvement, while Textiles, Foods and Shippings also lost ground.

Canon climbed Y13 to Y950, Sony Y80 to Y3,850, Hitachi Y5 to Y400, MHI Y5 to Y212, Mitsui Shipbuilding Y4 to Y201, Kawasaki Heavy Y6 to Y197, Kawasaki Steel Y4 to Y196, Matsushita Electrical Y20 to Y1,110 and Sumitomo Metal Y7 to Y209.

Yamanouchi Pharmaceutical rose Y70 to Y1,180 and Tokyo Electric Power Y28 to Y928, but Dowa Mining shed Y12 to Y399.

Australia

Gold shares were mainly easier on lower Bullion prices, while other Minings made a rather mixed showing. Industrials put on a fairly firm performance. The Oil and Gas sector was easier-inclined, although some issues moved ahead in late trading. Business throughout the markets was light.

Among Golds, Central Norseman shed 30 cents to A$7.70, Emperor 20 cents to A$2.60 and Poseidon 20 cents to A$5.20.

Greenbushes Tin put on 10 cents to A$14.30 and Peko-Wallsend 20 cents to A$9.30, but Western Mining declined 8 cents to A$5.26.

Pioneer Concrete Services' cash or share bids for Kathleen Investments and Queensland Mines left Kathleen up 80 cents at A$8.50 but Queensland unchanged at A$11.20. Pioneer eased 2 cents to A$2.50.

A strong late feature in the Oil and Gas group was Santos, up 70 cents at A$21.70. Hartogen gained 30 cents at A$9.00, but Woodside Petroleum receded 7 cents to A$2.60.

News of the proposed merger between Elder Smith GM and Henry Jones highlighted the firm Industrials sector. Henry Jones moved to A$4.15 buyer, up 80 cents prior to the shares being suspended from trading. Elder Smith share trading has been suspended since last Wednesday pending an inquiry by the Adelaide SE following the recent battle for control of the company.

Germany

Shares were mixed to easier after thin trading. Brokers said that nervousness over the situation in Poland was keeping investors off the market, and what little activity there was consisted mostly of selling.

Domestic Bond prices continued Friday's weak trend, registering losses ranging to 90 pfennigs, although there were isolated gains of up to 20 pfennigs. The Bundesbank bought DM 4.8m of stock.

Paris

Most shares lost further ground in very quiet trading, with rising French interest rates and tension in Poland causing investors to hold back from the market.

Johannesburg

Gold shares closed steady at their slightly lower opening levels after very quiet trading. An easier Bullion price resulted in a markdown of 50 to 100 cents in Heavyweights and between 10 and 20 cents in Mediums and Lightweights.

CANADA

Stock	Mar. 27	Mar. 26
Abitibi	28	28½
Agnico Eagle	14⅛	14½
Alcan Alumin	44½	44¾
Algoma Steel	48	48¼
Asbestos	37	38⅞
Bk Montreal	30⅞	31⅛

BELGIUM (continued)

Mar. 30	Price Frs.	+ or —
Petrofina	4,830	....
Royale Belge	4,010	—20
Soc Gen Banq.	2,085	—70
Soc Gen Belge	1,100	—16
Sofina	2,695	—15
Solvay	2,305	+50
Traction Elect.	2,060	—10

HOLLAND

Mar. 30	Price Fls.	+ or —
ACF Holding	75	+1
Ahold	75	—1.2
AKZO	21	....
ABN	287.5	—3.5
AMEV	92.4	+0.4
AMRO	55.9	—0.6
Bredero Cert.	203.5	—0.5

AUSTRALIA

Mar. 30	Price Aust. $	+ or —
ANZ Group	4.68	—0.02
Acrow Aust	1.15	....
Allstate Expl	1.35	—0.15
Ampol Pet	1.85	+0.05
Assoc. Pulp Pap.	2.35	+0.02
Audimco	0.17	—0.02
Aust. Cons. Ind.	2.12	+0.04
Aust. Guarant.	1.76	+0.05

JAPAN (continued)

Mar. 30	Price Yen	+ or —
Kubota	352	—3
Kumgai	376	+2
Kyoto Ceramic	3,650	—90
Lion	450	—3
Maeda Cons.	614	+3
Makita	905	+5
Marubeni	570	+4
Marudai	697	—4

Indices

NEW YORK ACTIVE STOCKS

Companies and Markets

COMMODITIES AND AGRICULTURE

More coffee quotas sought

By Our Commodities Staff

IN SPITE of the depressed state of the world coffee market several producing members of the International Coffee Organisazion are seeking increases in their export quotas under the current International Coffee Agreement.

At a meeting in London yesterday ICO delegates said it might be possible to reallocate up to 500,000 bags (60 kilos each) worth of quotas which had not ben used up by other exporters, but this would not cover all the requests for increases.

Kenya alone is seeking a 500,000 bags addition to its 1.3m bags annual quota and the African and Malagasy Coffee Organisation wants at least another 340,000 bags. Liberia and Papua New Guinea are seeking small increases and Rwanda has asked permission to export the 171,000 bags held in stock before the quota year began.

Other producers are likely to oppose increases in basic quotas view of low market prices.

During this week's London meeting exploratory discussions will be held on new export quotas for the 1980-81 coffee year and Brazil is likely to seek an increase on this year's allotment to match its expected 8m bags crop increase.

The ICO has set up a working party to consider switching to a more widely based trigger price to base quota adjustments on.

Copper leads decline in London metals

BY JOHN EDWARDS, COMMODITIES EDITOR

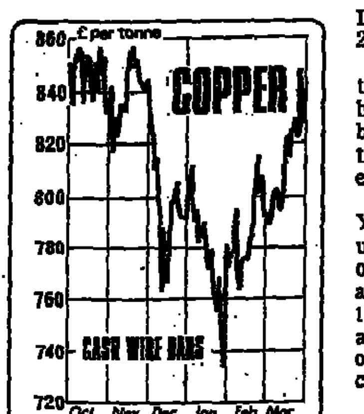
COPPER LED a general decline in London metal markets yesterday following the fall in gold and reduced concern about possible Russian intervention in Poland.

Cash copper wirebars tumbled by £19.5 to £827.25 a tonne, in spite of a fall in LME warehouse stocks of 1,450 tonnes reducing total holdings to 117,025 tonnes.

Dealers felt that the downward move in copper was accelerated by the market having become somewhat overbought during last week's rise. The increase in U.S. interest rates announced late Friday also helped dispel the bullish sentiment that was building up last week based on hopes of a recovery in the U.S. economy. So did news of end to the week old strike at the Toquepala mine in Peru.

The only market to defy the downward trend was zinc, where the cash price gained £2.5 to £351 a tonne. The uptrend in London zinc was encouraged by news of further U.S. producer zinc price rises and continued rumours of a possible increase in the European zinc producer quotation from its present level of $825 a tonne.

Although demand remains sluggish in Europe, the rise in



U.S. prices could force producers elsewhere to put up their prices in order to remain competitive for scarce supplies of zinc concentrates.

Ironically zinc stocks held in LME warehouses, marginally up by 25 tonnes to a total of 88,850 tonnes, were the only holdings to increase.

All the rest were down, but so were their prices. Lead stocks, for example, fell heavily again by 2,125 to 50,925 tonnes. Aluminium holdings declined by 2,225 to 43,125 tonnes; nickel by 66 to 3,630; tin by 480 to 5,565 tonnes, while LME silver stocks were cut by 240,000 to 24,250,000 ounces.

Silver was hit by the downturn in gold. The London bullion spot quotation was cut by 30.1p to 559.2p an ounce at the morning fixing and values eased further in the afternoon.

Reuter reports from New York that the Hunt brothers are under no obligation to dispose of their silver holdings within a specific time period under terms of a bail-out loan negotiated last year with a syndicate of 13 banks, according to sources close to the Hunts.

It is estimated that the Federal Reserve Board, which helped to arrange the $1.1bn loan, gave no directive to the Hunt brothers to liquidate their silver holdings, estimated at 83m ounces.

It was pointed out that various assets owned by the Hunts were used as collateral in obtaining the loan to correct a cash flow squeeze caused by a sharp drop in silver futures prices. This meant some of the assets could be sold off to retire the debt, and these could include some silver.

It was, emphasised that the Hunts were not being pressured by the FED or banks to dispose of the silver. "There are still 8½ years left before the loan expires," it was noted.

Jersey eases disease controls

By Our Own Correspondent

RESTRICTIONS AIMED at preventing the spread of foot-and-mouth disease have been partially lifted in Jersey, allowing farmers to solve a worsening food shortage by grazing their cattle for the first time in 11 days. The movement of livestock between farms is still prohibited

Since the disease was confirmed on the island on March 19, there have been no further outbreaks, but it is still spreading along the adjacent French coast. The Jersey authorities were today strongly critical of the lack of communication from French officials about the disease. The island's officials have had to resort to telephoning friends in France to confirm the spread of the virus.

In Britain the ninth day of the disease alert which began with an outbreak on the Isle of Wight passed with no further cases being confirmed. The Isle of Wight case, which has resulted in nearly 600 farm animals being destroyed, remains the only one in the UK.

Hopes are now rising that swift action by the Ministry of Agriculture, helped by the wet weather, may have prevented the disease spreading to the mainland. The 1,000 square mile ban on animal movements in the south west will remain in force for at least another 11 days, however.

Slower growth in Malaysian rubber seen

KUALA LUMPUR — Malaysia's annual rubber output growth is expected to slow to 0.7 per cent during the fourth Malaysia plan period, 1981-85, from 2.3 per cent recorded in the last decade, the plan document said.

The slow growth is due mainly to the substantial decline in replanting to 106,500 hectares in 1976-80 from 172,500 in 1971-75. Compared with total rubber area of 2.1m hectares.

The plan document did not contain any specific production forecasts for rubber but did forecast a lift in exports to 1.64m tonnes in 1985 from an estimated 1.62m in 1980.

The document forecast a lift in an average rubber price to 490 cents a kilo in 1985 from 300 cents estimated for 1980.

See page 4

UNCTAD AGREEMENTS

Doubts grow about commodity pacts

BY BRIJ KHINDARIA IN GENEVA

THE INCONCLUSIVE adjournment of attempts to negotiate a new tin agreement this month has raised doubts among both developed and developing countries about the whole feasibility of the integrated programme sponsored by the UN Conference on Trade and Development (Unctad) to create price stabilisation agreements for 18 separate commodities.

The programme's reassessment has also been fuelled by the Reagan Administration's reservations about supporting attempts to interfere with world commodity markets through internationally agreed measures.

Severe blow

In spite of five years of international commodity negotiations Unctad's integrated programme has succeeded in creating only one international commodity agreement—for natural rubber which has yet to be ratified by governments. Agreements to regulate sugar, coffee and tin markets were reached before the programme was conceived and all of them are beset by serious problems.

Failure to reach a tin agreement when talks resume in Geneva in June would deal a severe blow to Unctad's overall commodity programme, which includes such more controversial and volatile materials as coper, iron ore, phosphates and bauxite.

Even if tin producers manage to resolve their differences with consumers, Unctad's programme may crumble unless it is changed significantly. Originally it aimed at reaching agreements stabilising prices within agreed ranges by manipulation of buffer stocks paid for in part by a very large financial fund common to all commodities in the programme.

The likely form of any future agreements seems to be the creation of centres for consultation and information exchange among producers and consumers without any planned interference with market mechanisms. In some rare cases buffer stocks may be created, but on the condition that they are large enough to handle actual price fluctuations without recourse to export controls by producers.

Agreements containing large buffer stocks will be difficult to finance because the Common Fund as agreed last year contains only $400m for buffer stock operations, a sum considerably smaller than the $6bn originally envisaged.

In effect, both producers and consumers are now realising that solutions to problems faced by producers may lie in better production and marketing methods than in various kinds of price-rigging mechanism. This argument nettles producers, who feel that consumers, especially the Common Market and the U.S., use price support mechanisms for domestic farmers but deny them internationally to desperately poor commodity suppliers.

However, price support through international commodities agreements has been notoriously unsuccessful. Even the new rubber agreement is likely to be irrelevant to world prices because the range to be supported has been fixed well below current market levels.

Lagging behind

The price levels set in the 1977 Sugar Agreement were relevant for just a few weeks and then lagged well behind actual prices. The price provisions in the existing Tin Agreement also remained largely unused.

Negotiations for a new Tin Agreement mirror the difficulties encountered in trying to run a price stabilisation agreement under current economic conditions. Although many producers and consumers are convinced that tin markets should somehow be regulated, they still have not decided how that might be done.

As a concession to producers, the U.S. has accepted that a buffer stock should be created to keep prices within a certain range, but it wants a stock of at least 55,000 tonnes, arguing that anything less will not be enough to keep prices from rising excessively.

The producers, who are more concerned with the "floor" than with the "ceiling," want a stock of about 35,000 tonnes to keep storage costs down supplemented by production and export controls if prices continue to plunge. The U.S. opposes such controls and instead wants the right to discuss their production and export policies with producers.

Mainstay

Although Unctad has included tin in its commodity programme, problems remain about how it should be linked to the Common Fund, which is the programme's mainstay. The conference chairman Mr. Peter Lai has made some controversial compromise proposals on all main elements of the new pact. These will be discussed in June.

The key problem in tin as well as in other commodity talks is that 80 per cent to 90 per cent of the retail price reflects value added to the raw materials by the buyers of those materials. Consequently, even large increases in finished product sales result in only modest gains for raw materials producers.

The corollary is becoming increasingly evident. While producers must continue to seek better returns for their raw materials exports their real gains will come only when they add value to those materials before export by creating domestic processing facilities.

This realisation has made some large producers less enthusiastic about huge buffer stock arrangements. They no longer wish to perpetuate their traditional role as suppliers to industrial countries through price stabilisation agreements. They prefer to move into the ranks of sellers of processed and semi-finished goods made from those raw materials.

Jamaican sugar industry hit by strikes

KINGSTON—Jamaica's sugar industry was at a near standstill over the weekend with strikes at most estates following breakdown of wage negotiations between trade unions and the Sugar Producers Federation reports Reuter.

The breakdown in the negotiations caused workers at four of the sugar complexes to go on strike on Friday, following three others that struck earlier. Workers at an eighth estate were on a go-slow, and officials said it was likely that industrial action would spread unless there was an urgent settlement.

The strike has caused doubts that Jamaica can produce its modest target of 230,000 tonnes of sugar this year, in spite of the fact that that supervisory personnel were reaping canes on some of the estates.

Compound butter import curbed

BY RICHARD C. HANSON IN TOKYO

THE MINISTRY of International Trade and Industry (MITI) has introduced a prior surveillance system to control imports of compound butter, a mix of butter and vegetable oil supplied mostly by New Zealand and Belgium.

The system is apparently aimed at curbing the steep increase in such imports that took place last year. Japanese dairy farmers, through the Ministry of Agriculture, have lobbied hard for restrictions on imports, which they claim are damaging the already troubled local dairy industry.

The MITI action will require importers to notify it of who is supplying the imports and who is the end user of compound butter. The Government uses the same type of pre-confirmation system to control the import of a number of other items.

Agriculture officials are rounding up the importers again this week presumably to further pressure them into "self restraint."

The whole issue of compound butter (normally a mix of 70 per cent butter and 30 per cent vegetable oil) has already been the subject of diplomatic exchanges between Japan and New Zealand the EEC in Brussels, Zealand and the EEC in Brussels, New Zealand has indicated a willingness to hold down exports this year, and the EEC has told Japan it does not expect its exports to increase.

The system being adopted by MITI would seem an unusual step to take in light of the strained trade ties Japan has with Europe. One observer commented that requiring prior surveillance was technically a much stronger control, than surveillance after-the-fact on certain Japanese imports decided recently by the EEC.

Imports of the mixture were up 33 per cent last year to 17,000 tonnes. This is still a small part of Japan's overall dairy imports but compound butter imports are surging as the result of a loophole in the quotas for "pure" dairy products. Other imports have been flat recently because of high levels of stockpiles.

Japan's own "butter mountain" has been rising steeply (now about 34,000 tonnes). Ironically, last month a Japanese trading company actually exported 270 tonnes of home-made butter, bought at bargain prices last year. Most of this was shipped to Europe, supposedly for sale to the Soviet Union

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Sharply lower on the London Metal Exchange following the decline in gold, reports of increased offerings of scrap metal and heavy speculative and American selling. After an initial rise to £864, on the stocks decline, forward metal ran into fairly sizeable selling which saw the price dip to a low of £847 before a close of £848. Turnover: 18,500 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	835.5-4.5	−14.7	827-.5	−19.5
3 months	856-.5	−13.7	849-.5	−19.7
Settlem't	834.5	−14.5	—	......
Cathodes				
Cash	826-8	−13.5	821-.5	−18
3 months	843-4	−14.5	838-.5	−17.2
Settlem'	828	−15	—	......
S. Prod	—		*87-92	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £834.5, 34, three months £861, 60, 59, 58, 57, 57.5, 57, 56.5. Cathodes, three months £843. Kerb: Wirebars, three months £858.5, 56. Afternoon: Wirebars, cash £827, three months £854, 55, 54.5, 49, 50, 49.5. Cathodes, cash £820.5, 21, 21.5, three months £837, 37.5. Kerb: Wirebars, three months £848, 47, 48, 47.5, 47, 47.5, 48.

TIN—Easier on lack of interest although the fall in stocks tended to narrow the contango. Three months moved narrowly prior to closing the late kerb at £6,240. Turnover: 355 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6190-95	+27.5	6180-90	−35
3 months	6240-50	−2.5	6240-50	−20
Settlem't	6195	+25	—	......
Standard				
Cash	6190-5	+27.5	6180-90	−35
3 months	6240-50	−2.5	6240-50	−20
Settlem't	6195	+25	—	......
Straits E.	‡830.90	−0.02	—	......
New York	—	......	—	

Morning: Standard, cash £6,180, 85, 90, 6,200, 6,195, three months £6,260, 50, 40, 50, 45. Kerb: Standard, three months £6,240. Afternoon: Standard, three months £6,250, 45, 50, 55, 50, 45. Kerb: Standard, three months £6,240, 30, 25, 30.

LEAD—Easier on profit-taking, the decline in copper and American selling which combined to lower forward metal from £338 to £336.5 by the close of the late kerb: Turnover: 10,800 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	333-.5	+6	328-9	−4.5
3 months	337-8	+5.5	336-.5	−3.25
S ment	333.5	+6		......
U.S. Spot	—	......	*34-6	......

Morning: Cash £331.5, 32, 33, 34, 33, three months £336, 35, 35.5, 34.5, 35, 36, 36.5, 37, 37.5. Kerb: Three months £337, 37.5. Afternoon: Cash £328. Three months £336, 35.5, 36. Kerb three months £335, 35.5, 36.

ZINC—Firmer on renewed U.S. and speculative buying which more than offset profit-taking prompted by weakness in other metals. Forward metal touched a day's high of £365 before closing the late kerb at £364.5. Turnover: 9,100 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	351-.5	+7.75	350-2	+2.5
3 months	362-.5	+9	361.5-2	+3.25
S'ment	351.5	+7.5	—	......
Primw'ts	—	......	*41.5	−3.75

Morning: Cash £351.5, 51, three months £362, 61, 60.5, 61, 62, 62.5, 62. Afternoon: Three months £361, 62, 61.5, 60, 61, 61.5, 62. Kerb: Three months £360.5, 61, 64, 65, 65.5, 65, 64, 63.5, 63, 65, 64.5, 64, 65.

ALUMINIUM—Down on renewed selling from one quarter which lowered three months from £648 to £641.5 by the close of the afternoon kerb. Turnover: 5,525 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	633.5-5	−5.25	635-7	−4.5
3 months	640-1	−6.75	640.5-1	−6.75

Morning: Three months £643, 42, 41, 40, 40.5, 40. Kerb: Three months £640.5, 41. Afternoon: Three months £641, 40.5, 40, 40.5. Kerb: Three months £641, 40.5, 40, 39, 40, 41.

NICKEL—Marginally lower on lack of interest and the general weakness of other metals, which saw forward metal dip to close the late kerb at £2,805. Turnover: 594 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2835-40	−7.5	2820-30	−17.5
3 months	2810-2	−11.5	2800-5	−20

Morning: Three months £2,810. Afternoon: Three months £2,805, 2,800. Kerb: Three months £2,800.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

WOOL FUTURES

low levels with buyers unwilling to pay more despite higher Merino wool costs. Currency movements made little impact and there was little price change in a dull market.

LONDON NEW ZEALAND CROSSBREDS—Close (in order, buyer, seller, business). New Zealand cents per kilo. Mar. unquoted; May 347, 351, 348; Aug. 356, 360, 357; Oct. 360, 353, 360; Dec. 370, 371, 371-370; Jan. 374, 377, 377-376; Mar. 318, 383, 382; May 318, 383, 381; Aug. 386, 387, nil. Sales: 23.

COCOA

Cocoa futures traded in light volume to close with marginal losses reflecting a slightly stronger sterling. Physical business was scarce with no interest at current prices, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
March	866-69	+8.5	—
May	916-17	−3.0	925-12
July	943-44	−1.0	947-39
Sept.	963-85	−2.5	967-58
Dec.	984-65	−4.0	989-78
March	1004-05	−4.5	1010-61
May	1021-24	−3.5	1025-21

Sales: 1,488 (3,018) lots of 10 tonnes.

ICCO Futures—Daily price for March 27: 95.12 (97.38); five-day average 96.70 (97.34).

COFFEE

A quiet day saw values trading within a narrow range for most of the session until a steady New York market encouraged gains of £10 towards the close, reports Drexel Burnham Lambert.

Sales: 1,180 (1,717) lots of 5 tonnes.

COFFEE	Yesterday's Close £ per tonne	+ or —	Business Done
March	1050-52	+8.5	1046-37
May	1059-61	+11.0	1061-47
July	1061-62	+12.5	1060-47
Sept.	1062-63	+10.0	1063-50
Nov	1068-61	+8.0	1056-49
Jan	1056-58	+3.0	1058-55
March	1048-55	−1.0	—

ICO Indicator prices for March 27: (U.S. cents per pound): Other Mild Arabicas 128.75 (128.83); Robustas ICA 1976 115.25 (115.50); ICA 1968 115.50 (115.75). Unwashed Arabicas 218.00 (218.50). Comp. daily ICA 1968 unquoted.

GRAINS

Old crop wheat opened higher but eased back to close marginally up on the day. Barley saw thin trading and values closed about steady. A lack of buyers in the morning session depressed new crops but aggressive buying on November barley near the close steadied values, Acli reports.

COTTON

pound compared with over 100 cents at the end of last year. Many customers were looking for supplies, and interest ranged over numerous American type varieties.

RUBBER

The London physical market opened slightly easier, with little interest throughout the day, closing dull. Lewis and Peat reported an fob April price for No. 1 RSS in Kuala Lumpur of 276.75 (277.75) cents a kg and SMR 20 at 251.5 (252.5).

SOYABEAN MEAL

SUGAR

TEA AUCTION

JUTE

POTATOES

MEAT/VEGETABLES

PRICE CHANGES

	Mar. 30 1981	+ or —	Month ago
Metals			
Aluminium	£810/815	....	£810/815
Free Mkt	$1415/1445	−38.5	$1420/450

CORAL INDEX: Close 518-523 (+1)

Rain aids U.S. crops

WASHINGTON—Rains earlier this week and a storm system now moving into the mid-West are improving crop prospects in the U.S. according to U.S. Department of Agriculture weather analysts.

A new storm system, forecast to hit the great plains in the next day or so and then move into the maize belt, will put most spring wheat, maize and soyabean areas in good shape for planting, the analysts said.

The rains are expected to be enough to allow spring wheat planting into April and may be enough to get maize and soyabean planting started in most areas.

Weather analysts forecast the storm system may leave one inch of rain through parts of Kansas, Missouri, Southern Illinois, Iowa and Southeastern Nebraska. They said parts of Texas, Oklahoma, western Nebraska and western Kansas could get one quarter to one half inch of rain.

Winter wheat in southern areas is advancing well into the jointing stage, acording to agriculture experts. Recent rains should fill out thin plants, protecting the soil and allowing it to hold moisture more efficiently.

Analysts agreed that all grain areas will need continued timely rains. Recent storms however, "are a very good start," one analyst said.

● Meanwhile in Paris the French National Cereals office said French winter and spring soft wheat plantings in the current season totalled about 4.65m hectares against about 4.47m hectares sown in winter and spring 1979-80.

Winter and spring barley plantings are estimated at 2.63m hectares against 2.648m the year previously, and maize plantings at around 1.65 hectares, down from about 1.80m previously.

Due to the change to British Summer Time, the American Market closing prices were not available for this edition.

EUROPEAN MARKETS

ROTTERDAM, March 30.

Wheat—U.S. Two Dark Hard Winter 13.5 per cent April $212, May $210, June $208, July $207. U.S. No. Two Red Winter April/May $204, June/July $189. U.S. No. Two Northern Spring 14 per cent April $207.50, May $205.50, June/July $207, Aug. $208.50, Sept. $210, Oct. $214, Nov. $216.

sellers. Argentina June/July $3.. sellers.

Soyameal—44 per cent protein U.S. afl. $268, April $265.50, May $266.50, June $268, April/Sept. $272, Nov/March $292. Brazil Pellets afl. $279.50, April $276.50, May $277, April/June $280, April/Sept. $285.

PARIS, March 30.

INDICES

FINANCIAL TIMES

MOODY'S

DOW JONES

REUTERS

LONDON STOCK EXCHANGE

Gloomy CBI survey deters fresh investment demand for equity leaders—Widespread setback in Gilts

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Mar. 16	Mar. 26	Mar. 27	Apr. 6
Mar. 30	Apr. 8	Apr. 9	Apr. 21
Apr. 10	Apr. 29	Apr. 30	May 11

* "New time" dealings may take place from 9 am two business days earlier.

The Polish political crisis and the CBI monthly survey of manufacturing industry trends, which forecast a deepening in the UK recession, chilled investment ardour at the start of the new Account yesterday. With expectations of a continuation of the recent strong advance in London equity markets thus blunted, light selling saw many equity leaders drift lower.

Most quotations, however, picked up later to close a penny or so above the day's worst and the underlying tone was still described as relatively firm. At noon, the FT 30-share was 4.4 down but it rallied at each subsequent calculation to close only 2.5 off on balance at 518.S, an insignificant movement in the light of the 44 rise over the past fortnight.

Secondary issues, in contrast to the leaders yesterday, continued to attract a fair amount of interest and the overall trend was no worse than mixed. *Weekend Press comment* met with a ready response in many cases and speculative interest continued to be directed towards possible take-over candidates. Of the sectors, Composite Insurance shares remained out of favour, sentiment still being unsettled by last week's disappointing preliminary results from Eagle Star.

Digesting last Friday's announcement of further Government funding by way of a £1bn short tap, which followed hard on the heels of the successful £1bn index-linked issue, the market in Gilt-edged securities backed away from renewed selling. **Treasury 2 per cent** index-linked 1996, made an uneventful debut and closed at par in £35-paid form. Medium and longer-dated maturities suffered the brunt of the fall and closed with losses extending to ⅞, the £15-paid **Exchequer 12¼ per cent 1990** losing that much at £14. The shorts also trended lower with the emphasis on stocks in the area of the new tap and sustained losses ranging to 5/16.

Demand for Traded options continued to improve and 1,419 deals were arranged, compared with Friday's 1,021. **P & O** attracted a good business and recorded 394 trades.

Minster assets firm

Minster Assets, in which Britannia Arrow has a 12 per cent plus stake, met with speculative support and finished 3 to the good at 81p. Elsewhere in Merchant banks, **Hambros** rose 15 more to 755p on investment demand and **Mercury Securities** added 5 at 235p. **Charterhouse** reacted from an enhanced early level of 87p to 82p, for a net loss of 3, following profit-taking in the wake of the results. Overseas issues featured **Grindlays**, up 4 at 184p owing to revived bid hopes. Sentiment in the major clearers remained unsettled by the prevailing staff pay dispute. **Lloyds** lost 6 at 322p as did **Midland**, at 305p.

Composite Insurances started the new Account on a dull note with last week's disappointing results from Eagle Star remaining a drag on sentiment; **Eagle Star** softened 2 more to 231p. Ahead of tomorrow's preliminary statements, **Phoenix** lost 4 at 270p and **GRE** 4 at 336p.

Buildings encountered *light* profit-taking and **Blue Circle** esaed 6 to 414p, while **Tarmac**, 324p, and **BPB**, 278p, shed 2 apiece. Second-thoughts about the preliminary results clipped 3 from **Ibstock Johnsen**, at 74p, while **Tunnel "B"** gave up 4 at 380p pending bid developments. **Barratt Developments** lost 6 to 232p xd and **Wilson (Connolly)** 9 to 216p. Among occasional firm counters, **Milbury** gained 4 more to 76p on renewed speculative interest and **J. Smart** added the same amount at 55p, the latter following an investment recommendation. **Baggeridge Brick**, reflecting demand late on Friday, moved up 4 to 55p, while **Derek Crouch** rose 8 to 218p and **Rohan** improved 15 to 155p, the last-named in a restricted market.

Easier initially on occasional offerings, **ICI** picked up to close 2 dearer on balance at 238p, after 234p.

Following passing of the date before which holders of **Ciba-Geigy 7½ per cent 1978-91** could give three months' notice of exercising their option for early redemption, the stock was quoted non-assented on a £60 to £80 basis, as against £103.

Freemans please

Annual rpofits from **Freemans** proved to be in excess of market expectations, and the shares, helped additionally by the increased dividend, rallied from an earlier 124p to close 8 higher on balance at 134p. Other mail-orders drew strength from the news and **Empire** rose 2 at 140p, after 136p, while **Grattan** closed unchanged at 78p, after 72p. Elsewhere in Stores, **Selincourt** firmed 2½ to 13p following favourable comment, while **House of Lerose** added 4 at 79p in front of Thursday's annual figures.

Weekend news that a consortium led by **GEC** has won a £550m contract to supply a complete power station to Hong Kong failed to excite interest in GEC, which drifted back from an initially firm level of 668p to finish a net 2 lower at 663p. Other Electrical leaders moved in a similar direction with **Thorn EMI** notable for a fall of 8 to 326p. Elsewhere, **Sound Diffusion** rose 8 to 124p, after 129p, in response to Press comment, while **MK** found support at 220p, up 11. **Webber** advanced 8 to 135p, after *140p*, and *Lec* **Refrigeration** put on 4 to 122p. **Electronic Rentals** dipped 3 to 114p owing to adverse comment. **Vitatron** lost 15 to 75p.

APV highlighted Engineerings, jumping 20 to 240p in reply to better-than-expected results. Press comment ahead of tomorrow's preliminary results together with news of its participation in the big Hong Kong power station order helped **Babcock International** put on 3 to 110p. Still drawing strength from the recent excellent results and proposed 20 per cent *scrip-issue*, **Percy Lane** *added* 4 afresh at 45p, while **A. Cohen** rose 10 to 270p and **British Aluminium**, 112p, and **Westland**, 144p, added 7 apiece. **Wolseley Hughes** advanced 5 more to 273p and **Newman Tonks**, following the interim statement, improved 3 to 51p. By way of contrast, **G. M. Firth (Metals)** fell 4 to 57p, after 55p, on late news that the discussions which could have led to the group's trading operations being significantly enlarged, had been terminated.

Among Foods, **Avana** attracted renewed investment support and rose 8 to 245p, while **Robertson** *improved 4 to 178p*; the former's bid for Robertson is now unconditional as to acceptances and remains open. Demand in a market short of stock lifted **William Morris** on 14 to 232p, the annual results are due on Thursday. Press comment stimulated interest in **Associated Fisheries**, which gained 5 to 62p, but **Bluebird Confectionery** shed 3 to 60p following the sharply reduced interim profits. Recent high flyer **Somportex** gave up 50 at 800p, while **Nichols (Vimto)** shed 8 to 198p xd.

Persistent small buying on hopes of a counter bid for the company, possibly from the Far East, raised **Savoy A** 18 to 200p. **Trusthouse Forte's** bid for Savoy is currently worth approximately 182p per share.

ICL bid rumours

Secondary issues provided the main focal points in miscellaneous industrials. A weekend Press report suggesting that a £100m U.S. rescue bid is in the offing for **ICL** sparked off speculative buying in the latter which closed 7 to the good at 43p. Comment highlighting bid possibilities also buoyed **Braby Leslie**, which touched 49p before closing a net 8 higher at 46p. Other beneficiaries from favourable comment included **Stocklake**, up 6 at 105p, and **BTR** and **Bath and Portland** which gained 4 apiece to 482p and 50p respectively. **Low and Bonar** put on 12 to 200p in response to the better-than-expected annual results, while further persistent buying in a thin market lifted **Amalgamated Metal** 27 more to 310p. **Cape Industries** gained 4 to 214p awaiting today's preliminary figures. Improvements of around 10 were seen in **Aeronautical and** *General, 380p, Foseco Minsep,* 205p, and **Portals**, 442p. **J. B. Holdings** revived with a rise of 8 at 58p, after 60p, and **G. W. Sparrow** were notable at 90p, up 7. **Bridon** put on 4 to 54p but the recently firm **Sangers** lost 6 to 70p in reaction to adverse comment. With the exception of **BOC International**, a couple of pence harder at 129p, the leaders drifted lower. **Reed International** lost 7 at 219p and **Reckitt and Colman** fell 4 to 208p; the latter's annual figures are due tomorrow.

Flight Refuelling attracted fresh support in front of next month's preliminary results and advanced 12 more to 347p. **Jonas Woodhead**, 34p, and **Solex (UK)**, 55p, added 3 apiece, while renewed buying lifted **Lucas** 3½ to 183p xd. Among Distributors, reorganised **Godfrey Davis** attracted a good trade and closed 6 to the good at 79p ex the 115p capital repayment.

The chairman's confident view on current trading lifted **Ferry Pickering** 4 at 74p. In contrast, a "take profits" recommendation clipped 5 from **Geers Gross**, at 106p. **Bunzl Pulp**, preliminary results due today, slipped 3 to 136p.

Properties, an outstanding sector on Friday following a re-rating of net asset values, encountered limited selling which left **Land Securities** 6 cheaper at 424p and **MEPC** 4 lower at 244p. **Slough Estates** came on offer at 148p, down 4, and **Peachey** eased 3 to 155p. **Law Land**, however, improved a penny to 90p in front of today's trading statement, while **Federated Land** rose 5 to 115p, the latter's dividend increase outweighing the lower annual profits. Further *support lifted* **Thames Investment** 7 to 200p, the 12 per cent Convertible the same amount to 157p and **Warner Estate** 20 more to 390p. **Town Centre Securities** improved a penny to 58p following the increased annual profits.

Oils quietly dull

Oils failed to shake off the recent bout of lethargy and drifted lower in the absence of support, **British Petroleum** shedding 4 to 376p and **Shell** losing 9 to 374p xd. **Ultramar** cheapened 8 to 480p. Among overseas *issues*, ***International Petroleum*** gained 15 to 225p following an investment recommendation, while **Justin Resources** rose 20 to 270p on revived speculative interest. Yesterday saw the official London debut of **Gaelic Oil**; from an opening level of 185p, the shares touched 200p before closing at 195p.

Overseas Traders were mixed. **Boustead** were subjected to profit-taking and dipped 7 to 180p, but renewed speculative support lifted **Steel Bros.** 18 to 155p; the latter is due to announce annual results next month.

Dealings in ***First Guernsey*** **Securities Trust**, suspended at 165p last December, were resumed at 275p following Friday's offer from Sturla. Among Financials, interest was shown in **M and G**, 8 up at 344p, and in **Western Selection**, 4 better at 35p. Money brokers **R. P. Martin** were suspended at 182p pending an announcement believed to be connected with a possible resumption of merger talks with West German concern Bierbaum.

Higher at 150p immediately before the trading announcement, *Ocean Transport met with* profit-taking after the annual figures and disappointing dividend increase to close unchanged on the day at 146p. **P and O Deferred** attracted a useful business and moved between 142p and 150p before settling with a net gain of 5 at 148p.

Plantations, a subdued sector recently, attracted a good business, especially from Far-eastern sources, and although prices were sometimes below the best, double-figure gains were commonplace. **Sogomana**, at 425p, and **Sungei Bahru**, 208p, both rose 20, while **Singapore Para** improved 16 to 108p. Also in demand were **Jitra**, 14 higher at 75p, and **Bertam**, a similar amount dearer at 93p.

Golds lose ground

The general decline in precious and base-metal prices left mining issues showing widespread losses. South African Golds were marked down at the outset and drifted throughout the day on lack of interest as the bullion price dropped $22¼ to $522¼ an ounce. The Gold Mines index gave up 17.4 to 352.7.

In the heavyweights losses ranged to almost a point as in **Winkelhaak**, £14 ex-dividend, **Vaal Reefs**, £32¼ and **Randfontein**, £27¾. Medium and lower priced issues showed falls of 25 common to **Blyvoor**, 705p, and **Venterspost**, 604p. **South African Land** gave up 21 to 302p and **Elandsrand** 8 to 307p ahead of news of the proposed rights issues.

Financials moved lower in sympathy with Golds. "**Amgold**," £39¾, "**Johnnies**," £30½ and **GFSA**, £29½, were al around a point cheaper while **Anglo American Corporation** *dipped* 20 to 670p and **De Beers** 10 to 366p ex-dividend.

London Financials attracted light but persistent selling with the notable exception of **Tanks**, which touched a 1981 high of 348p prior to closing a net 5 better at 345p on continuing bid speculation.

Australians were steady at the outset but tended to ease in late trading. In Golds, **Gold Mines of Kalgoorlie** dipped 15 to 420p, **Poseidon** 10 to 257p and **North Kalgurli** 3 to 67p. Falls of 4 were common to **Haoma Gold**, 90p and **North West Mining**, 62p.

On the other hand, favourable Press mention lifted **Paringa Mining** 6 to 70p and **Mount Carrington** 12 to 60p.

FINANCIAL TIMES STOCK INDICES

	Mar. 30	Mar. 27	Mar. 26	Mar. 25	Mar. 24	Mar. 23	A year ago
Government Secs.	69.62	70.16	70.18	69.81	70.08	70.19	64.58
Fixed Interest	71.36	71.84	72.00	71.88	71.94	72.00	65.02
Industrial Ord.	518.8	521.3	518.9	507.4	511.7	501.2	427.0
Gold Mines	352.7	370.1	361.1	364.7	365.2	363.4	273.4
Ord. Div. Yield	6.33	6.29	6.31	6.43	6.38	6.51	8.07
Earnings, Yld. %(full)	12.63	12.56	13.35	13.61	13.49	13.76	20.01
P/E Ratio (net) (*)	9.94	10.00	9.27	9.10	9.17	8.99	6.12
Total Bargains	30,052	29,621	29,260	28,884	28,324	24,268	25,475
Equity turnover £m.	—	204.75	206.76	166.24	167.85	137.55	98.11
Equity bargains total	—	27,759	28,476	25,533	27,902	22,095	20,428

10 am 519.4, 11 am 518.0, Noon 516.9, 1 pm 517.6.
2 pm 517.7. 3 pm 517.8.
Latest Index 01-246 8026.
*Nil=9.20.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS — S.E. ACTIVITY

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low		Mar. 27	Mar. 26
Govt. Secs.	70.61 (20/3)	68.05 (16/1)	127.4 (9/1/35)	49.18 (3/1/75)	—Daily Gilt Edged Bargains	174.2	181.7
Fixed Int.	72.01 (20/3)	69.98 (16/1)	150.4 (28/11/47)	50.53 (3/1/75)	Equities Bargains	179.9	184.5
					Value	413.8	417.9
Ind. Ord.	521.3 (27/3)	446.0 (14/1)	558.6 (4/5/79)	49.4 (26/6/40)	5-day Avrge. Gilt Edged Bargains	185.2	191.8
Gold Mines	421.1 (16/1)	281.4 (29/1)	558.9 (22/9/80)	43.5 (26/10/71)	Equities Bargains	170.8	162.1
					Value	357.0	342.3

NEW HIGHS AND LOWS FOR 1981

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (193)

LOANS (1)
AMERICANS (4)
CANADIANS (2)
BANKS (6)
BUILDINGS (20)
CHEMICALS (3)
DRAPERY AND STORES (6)
ELECTRICALS (10)
ENGINEERING (19)
FOODS (7)
HOTELS (3)
INDUSTRIALS (36)
INSURANCE (2)
LEISURE (3)
MOTORS (4)
PAPER (2)
PROPERTY (19)
SHIPPING (3)
TEXTILES (8)
TRUSTS (24)
OIL AND GAS (2)
OVERSEAS TRADERS (2)
RUBBERS (1)
MINES (6)

NEW LOWS (28)

BRITISH FUNDS (4)
Funding 6½pc '85-87; Exch. 12½pc 1990 (£15 pd.); Treas. 12pc 1987; Exch. 13½pc 1994
BANKS (1)
Hongkong & Shanghai
CHEMICALS (3)
Ciba Giegy 7½pcLn.; Norsk Hydro; Do. 8pcCnv. 1981-84
ENGINEERING (2)
Concentric; Wellmann Eng.
INDUSTRIALS (3)
Amber Inds.; Peerless; Elliott Peterborough
LEISURE (1)
HTV Non-Voting
NEWSPAPERS (1)
United Newspapers
TEXTILES (2)
Montfort; Snia Viscosa
TRUSTS (2)
Negit S.A.; Hampton Trust
OILS (7)
BP; New Court Nat.; Burmah Oil; Royal Dutch; Carless Capel; Strata; Century
OVERSEAS TRADERS (1)
Lonrho
MINES (1)
Haoma Gold

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	—	84	11
Corp. Dom. and Foreign Bonds	4	14	47
Industrials	294	270	805
Financial and Props.	105	116	273
Oils	20	30	27
Plantations	6	3	14
Mines	20	80	65
Others	22	77	38
Totals	471	674	1,280

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Braby Leslie	46	+ 8	President Brand	£20	− 0½
GEC	663	− 2	Savoy "A"	200	+18
Jitra Rubber	75	+14	Selincourt	13	+ 2½
Land Securities	424	− 6	Singapore Para	108	+16
Ocean Transport	146	—	Sound Diffusion	124	+ 8
P. & O. Deferred	148	+ 5	Sungei Bahru	208	+20

FRIDAY ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Friday's closing price pence	Day's change	Stock	No. of price changes	Friday's closing price pence	Day's change
ICI	30	236	—	Royal Bk. Scot.	22	142	− 5
Turner & New'l	24	83	—	BP	21	380	—
GKN	23	146	− 2	Cons. Gold	21	467	+ 4
KCA	23	200	+ 1	GEC	21	665	− 2
Shell	23	394	—	RTZ	20	475	+ 2
Lucas	22	182	+ 7	Comm. Union	19	171	+ 2
Rank Org.	22	194	+ 8	Imp. Cont. Gas	19	218	—

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar. 23	Apr. 3	June 25	July 6
Apr. 6	Apr. 17	July 9	July 20
Apr. 21	May 1	July 23	Aug. 3

For rate indications see end of Share Information Service

Stocks to attract money for the call included ICL, Amalgamated Distilled Products, Turner and Newall, KCA, Hawker Siddeley, Thorn-EMI, P and O Deferred, Trusthouse Forte, Johnson and Firth Brown, Thomas Borthwick, Norcros, De Beers Deferred, Premier Oil and Charterhall. Puts were completed in MFI, Weir, Racal, Wolverhampton Steam Laundry and Howard Machinery, while doubles were taken out in Marks and Spencer and Grindlays.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon., March 30, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Fri. March 27 Index No.	Thur. March 26 Index No.	Wed. March 25 Index No.	Tues. March 24 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (212)	333.77	−0.2	11.57	4.80	10.66	334.32	333.52	329.93	330.43	229.96
2	Building Materials (26)	301.77	−1.0	14.91	5.76	8.05	304.78	303.36	299.38	297.21	222.33
3	Contracting, Construction (26)	563.70	−0.1	16.40	4.53	7.28	564.31	559.34	552.61	552.79	348.10
4	Electricals (27)	1055.59	—	8.31	2.55	14.92	1055.85	1056.47	1051.32	1067.39	680.30
5	Engineering Contractors (11)	431.63	+0.2	13.16	5.99	9.59	430.95	428.47	425.06	426.76	270.83
6	Mechanical Engineering (72)	202.57	+0.2	13.61	6.19	9.30	202.09	201.48	197.89	198.22	155.89
8	Metals and Metal Forming (13)	153.37	−1.7	11.08	8.65	11.92	155.96	155.79	154.44	154.87	158.35
9	Motors (21)	94.97	−0.2	10.98	8.80	11.94	95.13	93.58	92.59	91.87	102.35
10	Other Industrial Materials (16)	351.74	+0.4	11.93	5.84	10.01	350.42	350.43	344.56	344.45	0.00
21	CONSUMER GROUP (197)	261.97	−0.5	14.29	6.00	8.51	263.37	262.96	259.00	259.83	204.95
22	Brewers and Distillers (20)	286.31	−0.9	16.18	6.40	7.33	288.82	286.96	278.48	281.39	258.22
25	Food Manufacturing (22)	244.69	−0.2	16.37	6.46	7.25	245.11	245.50	243.50	242.57	185.26
26	Food Retailing (14)	511.81	+0.1	8.82	3.16	13.39	511.42	513.68	505.68	503.86	292.29
27	Health and Household Products (7)	275.84	−0.4	9.72	5.20	12.23	276.94	277.07	272.96	278.47	197.94
29	Leisure (22)	394.21	−0.8	13.45	5.67	9.24	397.28	397.20	395.73	396.16	287.44
32	Newspapers, Publishing (12)	480.89	−1.6	17.91	6.66	7.28	488.83	482.95	477.15	475.18	394.62
33	Packaging and Paper (15)	135.99	−1.8	22.42	8.50	5.19	138.44	138.06	133.44	134.32	123.15
34	Stores (44)	263.83	−0.7	11.22	4.79	11.69	265.67	265.91	262.39	261.89	208.95
35	Textiles (21)	147.25	+0.6	14.92	9.06	9.05	146.36	146.41	144.04	144.90	120.26
36	Tobaccos (3)	215.94	−0.3	26.32	10.78	4.33	216.52	212.56	211.41	213.54	197.58
39	Other Consumer (17)	269.71	+0.6	9.57	7.14	13.18	268.20	269.03	264.33	263.93	0.00
41	OTHER GROUPS (79)	218.08	+0.4	14.09	6.94	8.78	217.29	216.96	214.43	214.66	194.80
42	Chemicals (15)	253.96	+0.7	12.75	8.22	9.95	252.13	251.61	249.01	250.47	291.82
44	Office Equipment (6)	115.39	—	16.13	7.20	7.35	115.34	112.89	118.50	109.97	108.31
45	Shipping and Transport (13)	610.04	+0.5	12.45	6.07	9.83	607.30	605.60	600.50	599.40	449.30
46	Miscellaneous (45)	284.88	—	15.62	5.88	7.87	284.77	286.14	282.75	282.42	226.74
49	INDUSTRIAL GROUP (488)	280.34	−0.3	13.23	5.66	9.25	281.13	280.60	276.96	277.59	217.46
51	Oils (12)	795.79	−2.5	23.29	7.09	4.94	816.07	816.79	805.18	822.71	718.52
59	500 SHARE INDEX	321.44	−0.7	15.15	5.94	7.93	323.74	323.30	319.02	320.96	257.09
61	FINANCIAL GROUP (118)	251.60	−1.1	—	5.54	—	254.38	253.45	251.71	252.60	187.20
62	Banks (6)	231.74	−2.0	40.38	7.78	2.95	236.52	236.02	233.82	230.66	204.98
63	Discount Houses (10)	305.13	+0.1	—	6.07	—	304.79	307.24	307.62	310.26	211.65
64	Hire Purchase (4)	272.29	+0.2	8.26	4.56	16.74	271.72	272.26	274.53	273.84	188.61
65	Insurance (Life) (10)	263.77	−0.6	—	5.31	—	265.24	266.27	265.91	274.52	162.86
66	Insurance (Composite) (9)	161.14	−1.7	—	7.47	—	163.97	165.15	164.08	165.53	121.80
67	Insurance Brokers (9)	350.42	−0.5	13.03	6.67	10.35	352.34	345.66	342.74	346.14	283.01
68	Merchant Banks (13)	157.88	+0.2	—	4.96	—	157.51	156.97	155.02	154.30	98.32
69	Property (46)	504.13	−0.8	2.97	2.50	46.73	508.26	501.16	496.00	497.32	356.91
70	Miscellaneous (11)	173.07	+0.2	18.23	6.00	6.74	172.66	172.60	173.46	172.16	127.07
71	Investment Trusts (109)	297.10	−0.1	—	5.18	—	297.49	296.78	294.29	294.61	203.48
81	Mining Finance (3)	236.72	−1.1	14.29	5.67	8.30	239.30	237.46	234.10	236.87	180.74
91	Overseas Traders (20)	445.34	−1.1	11.94	6.64	10.31	450.07	450.37	446.98	453.07	389.50
99	ALL-SHARE INDEX (750)	307.17	−0.8	—	5.83	—	309.51	308.93	305.33	307.02	240.38

FIXED INTEREST PRICE INDICES

	British Government	Mon. March 30	Day's change %	Fri. March 27	xd adj. today	xd adj. 1981 to date
1	5 years	108.83	−0.13	108.97	—	2.48
2	5-15 years	111.67	−0.74	112.50	—	2.97
3	Over 15 years	116.79	−0.81	117.75	—	2.77
4	Irredeemables	128.78	−1.16	130.30	—	1.78
5	All stocks	112.19	−0.58	112.85	—	2.69
6	Debentures & Loans	87.85	+0.05	88.40	0.60	3.47
7	Preference	67.96	−0.16	68.48	0.39	2.88

	FIXED INTEREST YIELDS British Govt. Av. Gross Red.		Mon. March 30	Fri. March 27	Year ago (approx.)
1	Low Coupons	5 years	11.51	11.41	13.10
2		15 years	12.06	11.95	12.89
3		25 years	12.05	11.88	12.87
4	Medium Coupons	5 years	13.20	13.08	14.98
5		15 years	13.57	13.43	14.94
6		25 years	13.24	13.11	14.33
7	High Coupons	5 years	13.20	13.08	15.28
8		15 years	13.76	13.63	14.84
9		25 years	13.43	13.32	14.73
10	Irredeemables		11.53	11.39	12.39
11	Debs & Loans	5 years	14.39	14.25	15.40
12		15 years	14.34	14.25	15.40
13		25 years	14.34	14.25	15.40
14	Preference		14.36	14.29	15.78

† Flat yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, The Fi[illegible] London, EC4P 4BY, price 15p, by post 26p.

RECENT ISSUES

EQUITIES

Issue Price p	Amount paid up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
150	F.P.	3/4	195	170	British Aerospace 50p	195	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	F.P.	27/3	18½	14	Crest Intl Secs. 8p	18½	[illegible]				
100	F.P.	1/5	180	160	Capital Gearing Tst.	180					
11	F.P.	2/4	175	113	Eglinton Oil & Gas	175					
75§	F.P.	—	22	20	Munton Bros. 10p	20½					
18§	F.P.	[illegible]	[illegible]	[illegible]	New Darien Oil Trust	[illegible]					
100	F.P.	[illegible]	[illegible]	[illegible]	Do. Warrants	[illegible]					
—	F.P.	13/5	105	98	Oil & Gas Production	[illegible]					
42	F.P.	13/5	48	44	Do. ($0.01 pd.)	[illegible]					
4.2	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]					
100	F.P.	21/4	101	98	T.R. Energy	98					

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing Price £	+ or −
77	F.P.	1/6	74	70	Cystic Fibrosis Res'ch In. Tst. 6% Deb. '86	70	
97¾	£10	10/7	11	10½	Leeds (City of) 13¼% Red. 2006	10½	
96	F.P.	10/7	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	F.P.	20/3	170p	167p	Sterling Credit 8% Cnv. Red. Cum. Prf.	168p	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Do. Warrants [illegible]	[illegible]	
[illegible]	£10	4/6	11	11	West Hampshire Water 8% Red. Prf. '86	11	

"RIGHTS" OFFERS

Issue Price p	Amount paid up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing Price p	+ or −
154	F.P.	9/3	22/5	206 / 171	Assoc. Dairies	206	
3	Nil	8/4	29/5	3½pm / 2pm	Barker & Dobson A	2pm	
6A9	Nil	—	—	26pm / 17pm	Broken Hill Prop.	25pm	
30	Nil	—	—	12pm / 8pm	L.M.	12pm	
48	F.P.	9/3	8/4	52 / 41	Paradise B.	48	
A1¼	Nil	—	—	40pm / 32pm	Woodside	40pm	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. |||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ☆ Dealings under special Rule. ⊕ Unlisted Securities Market. †† London Listing. ‡ Resulting from debt settlement scheme. ♯ Units comprising 125 A Ord. & 6 12½% Cum. Prf.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Craigmount Fixed Int. Mngrs. (Jersey)
P.O. Box 195, St. Helier, Jersey. 0534 27561
Gilt Fund (Jsy.) | 96.8 | 96.9 | ..... | 13.93
Valued weekly Wednesday.

DWS Deutsche Ges. F. Wertpapiersp
Grunebürgweg 113, 6000 Frankfurt
Investa | DM30.70 | 32.40 | +0.10 | —

Delta Group
P.O. Box 3012, Nassau, Bahamas
Delt. Inv. March 24 | $4.46 | 4.68 | ..... | —

Deutscher Investment-Trust
Postfach 2685 Biebergasse 6-10 6000 Frankfurt
Concentra | DM16.10 | 17.20 | +0.10 | —
Int. Rentenfonds | DM59.50 | 61.30 | ..... | —

Dreyfus Intercontinental Inv. Fd.
P.O. Box N3712, Nassau, Bahamas.
NAV Mar. 24 | US$31.35 | 33.35 | ..... | .....

Emson & Dudley Tst. Mgt. Jrsy. Ltd.
P.O. Box 73, St. Helier, Jersey. 0534 73933
E.D.I.C.T. | 158.5 | 170.3 | ..... | 2.20

The English Association
4 Fore Street, EC2. 01-588 7081
E. A. Income Fund* | £62.90 | 67.00 | ..... | 7.46
E. A. Sterling* | £67.56 | 67.60 | ..... | —
E. A. Equity* | £68.12 | 72.47 | ..... | 1.72
Wardgate Cm. Fd.** | £17.39 | 18.09 | ..... | 2.87
*Next dealing April 1. **Next dealing March 31.

Eurobond Holdings N.V.
Pietermaai 15, Willemstad, Curacao.
London Agents: Intel 15 Christopher St., EC2. Tel: 01-247 7243. Telex 8814408.
Eurb Hldgs. | US$19.77 | 20.36 | +0.17 | 9.20

S.G. Europe Obligations S.A.
9, Avenue de la Liberte, Luxembourg
London Agent: FFS, Salisbury Hse, London Wall EC2M 5TA. Tel. 01-920 0776 Telex 887281
Europe-Obligations | US$43.60 | −0.17 | 1.92

F & C Mgmt. Ltd. Inv. Advisers
1, Laurence Pountney Hill, EC4. 01-623 4680
Centenary Fd. | US$12.01 | +0.26 | 1.17
F. & C. Oriental Fd. | US$23.56 | +0.52 | —
Prices March 25. Weekly dealings.

Fidelity International Ltd.
P.O. Box 670, Hamilton, Bermuda.
8, Queensway Hse., Queen St., St. Helier, Jersey, C.I. 0534 71696
American Assets | US$40.49 | ..... | 1.18
Am. Vals. Com.Pf. $3* | $100.75 | ..... | —
American Vals. Com.* | $8.92 | ..... | —
Dollar Savings Trust | US$77.58 | +0.09 | 14.70
Far East | US$33.17 | −0.34 | —
International | US$46.19 | ..... | —
Pacific | US$112.16 | ..... | —
World | US$25.87 | −0.28 | —
Gilt Fund | 23.9 | 24.1 | −0.2 | 12.97
*Prices at March 3.

First Viking Commodity Trusts
10-12 St. George's St., Douglas, IoM. 0624 25015
Fst. Vik. Cm. Tst. | 26.3 | 27.7 | ..... | 5.90

Fleming Japan Fund S.A.
37, rue Notre-Dame, Luxembourg
Fleming March 24 | US$72.90 | ..... | —

Frankfurt Trust Investment—GmbH
Neue Mainzer Strasse 74-76, D-6000 Frankfurt
FT-Interzins | DM37.48 | 40.96 | +0.02 | —
Frankfl. Effekt. Fd. | DM51.03 | 53.72 | −0.26 | —

Free World Fund Ltd.
Butterfield Bldg., Hamilton, Bermuda.
NAV Feb. 27 | US$145.95 | ..... | —

G.T. Management Ltd.
Park Hse., 16 Finsbury Circus, London EC2
Tel: 01-628 8131. TLX: 886100
London Agents for:
Anchor 'B' Units | US$1.84 | 1.90 | ..... | 1.14
Anchor Gilt Edge | £9.44 | 9.50 | −0.03 | 13.37
Anchor Int. Fd. | US$8.98 | 9.22 | ..... | 1.14
Anchor In. Jsy. Tst. | 43.8 | 46.7 | ..... | 2.57
Berry Pac Fd. | US$64.80 | ..... | 0.77
Berry Pac Strlg. | £3.52 | 3.6818 | ..... | 1.13
G.T. Asia Fd. | HK$21.25 | ..... | 1.18
G.T. Asia Sterling | £27.34 | 28.46 | ..... | 1.46
G.T. Australia Fd. | A$38.44 | ..... | 0.75
G.T. Bond Fund | US$12.19 | +0.16 | 11.07
G.T. Dollar Fd. | US$13.81 | ..... | 1.09
G.T. Dlr. (Strlg.) Fd. | 14.67 | 15.28 | ..... | 1.02
G.T. Invest. Fd. | US$18.26 | −0.13 | 0.55
G.T. Japan Small Cos. | US$16.82 | −0.25 | —
[illegible]

Hill Samuel Invest. Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 27381
HS Channel Is. Fd. | 146.8 | 156.6 | +1.2 | 3.25
H.S. Fixed Int. Fd. | 94.0 | 99.0 | ..... | 12.50
Box 2622, Berne, Switzerland. Telex 33425.
[illegible]

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481 26331
O.C. America Fd.† | US$2.71 | 2.88 | ..... | 0.59
OCSm. Co. | 111.2 | 118.2 | ..... | 2.74
O.C. Commodity* | 90.3 | 96.0 | ..... | 7.50
[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Ltd. (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Anthony Wieler Unit Tst. Mgmt. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.

Barclays Unicorn Ltd.

Baring Brothers & Co., Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Gp. of Unit Trusts Ltd.

Brown Shipley & Co. Ltd.

Buckmaster Management Co. Ltd.

Canada Life Unit Tst. Mngrs. Ltd.

Cannon Life

Clarince Charities N/R Fund

Charities Official Invest. Fund

Chieftain Trust Managers Ltd.

Confederation Funds Mgt. Ltd. (a)

Craigmount Unit Trust Mgrs. Ltd.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)

Dartington Unit Trust Mgmt. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Equity & Law Un. Tr. M.

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Robert Fraser Trust Mgt. Ltd.

Friends' Provnt. Trust Mgrs.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers

Gibbs (Antony) Unit Tst. Mgrs. Ltd.

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a) (b) (c)

Hill Samuel Unit Tst. Mgrs.

Investment Intelligence Ltd.

Key Fund Managers Ltd.

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General (Unit Tst. Mngrs.) Ltd.

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group (y)(c)(z)

ManuLife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngemnt. Ltd.

Murray Johnstone U.T. Mgmt.

Mutual Unit Trust Managers

National Provident Inv. Mngrs. Ltd.

National Westminster

NEL Trust Managers Ltd.

Northgate Unit Trust Managers Ltd.

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd.

Pelican Units Admin. Ltd.

Perpetual Unit Trust Mngmt.

Practical Invest. Co. Ltd.

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd.

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management

Rowan Unit Trust Mngt. Ltd.

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Schroder Unit Trust Managers Ltd.

Scottish Amicable Inv. Mngrs. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Security Selection Ltd.

SIMCO Money Funds

Stewart Unit Tst. Managers Ltd.

Sun Alliance Fund Mangt. Ltd.

Target Tst. Mngrs. Ltd.

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co.

Tyndall Managers Ltd.

TSB Unit Trusts (y)

Ulster Bank

Unit Trust Account & Mgmt. Ltd.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Black Horse Life Ass. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London & Manchester Ass. Gp.

London Life Linked Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London A'deen & Nthn. Mtl. Assur. Ltd.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Phoenix Assurance Co. Ltd.

Planned Savings Group

Premium Life Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capital Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Amicable Investments

Scottish Widows' Group

Standard Life Assurance Company

Sun Alliance Insurance Group

Sun Life of Canada (UK) Ltd.

Sun Life Pensions Management Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

B.I.A. Bond Investments AG

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Mngt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

CAL Investments (IoM) Ltd.

Capifrex S.A.

Capital International Fund S.A.

Charterhouse Japhet

Cleveden Commodities (Isle of Man) Ltd.

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

Cortexa International

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1981 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
99 5/32	97 7/16	Exch. 8¼pc 1981	99 27/32	......	8.31	11.75
99⅛	97¼	Exch. 9½pc 1981	99⅛	......	9.58	12.09
96⅝	93¼	Exch. 3pc 1981	96⅝	......	3.11	12.02
99 7/16	99⅛	Treas. Variable '81‡‡	99¼	......	12.12	13.21
100⅜	99¾	Exch. 12¾pc 1981‡‡	100 3/16	......	12.71	12.12
97 7/16	95 11/16	Treas. 8¼pc '80-82‡‡	97⅜	......	8.72	11.97
95	91⅞	Treasury 3pc '82‡‡	94½	......	3.17	9.65
102 3/16	100 11/16	Treasury 14pc '82‡‡	101⅞	–1/16	13.74	11.84
98⅝	98 5/16	Treas. Variable '82‡‡	98 3/16	......	12.21	13.25
95¾	93 11/16	Treasury 8¼pc '82	95 5/16	–1/16	8.65	12.34
96 3/16	93 13/16	Exch. 9¼pc 1982	95⅜	–1/16	9.69	12.74
94⅝	92⅝	Exch. 8¾pc 1983	94 5/16	–1/16	9.27	12.38
89¼	84⅞	Exch. 3pc 1983	88⅝	–⅛	3.39	9.70
188	97⅜	Treasury 12pc 1983‡‡	98 11/16	–⅛	12.15	12.76
97⅛	96⅝	Treas. Variable '83‡‡	97⅛	......	12.39	13.56
94⅛	92¼	Treasury 9¼pc '83	93½	–3/16	9.89	12.58
101 11/16	100¼	Exch. 13½pc '83	101 5/16	–1/16	13.32	12.86
94⅛	92¼	Exch. 10pc 1983	93½	–1/16	10.69	12.89
87¼	84½	Funding 5½pc '82-84‡‡	86⅝	–¼	6.34	11.18
96¾	94 7/16	Exch. 11¼pc 1984	96 1/16	–3/16	11.71	12.90
103 3/16	101 11/16	Exchequer 14pc 1984	102 11/16	–3/16	13.63	12.92
80⅝	78½	Exch. 3pc 1984	80	–¼	3.75	10.46
98⅜	96⅜	Treasury 12pc 1984	97¾xd	–3/16	12.27	12.79
107¼	104⅞	Treasury 15pc 1985	107	–3/16	14.01	12.65
98⅞	95 13/16	Exch 12pc Cnv. '85	98⅛	–3/16	12.22	12.60
75¼	73¼	Treasury 3pc 1985	74⅞	–¼	3.95	10.66
74¼	72⅝	Do. "A"	74⅜	–⅛	4.00	10.83
—	—	Treas. 11½pc '85 (£15pd)	E96½	......	11.92	12.59
98⅞	96 3/16	Exch. 12¼pc 1985	98	–3/16	12.50	12.81
97⅞	93⅝	Exch. 11¾pc '86	96⅛	–3/16	12.22	12.82

Five to Fifteen Years

1981 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
69¾	67 11/16	Treasury 3pc 1986●	69⅛	–¼	4.35	11.11
51½	20	Treas. 12pc '86 (£50 pd)	50⅝	–½	12.48	13.05
87⅛	84¼	Treasury 8½pc '84-86‡‡	86¼	–⅝	10.01	12.49
103⅝	98⅛	Exch. 13¼pc 1987	102⅝	–½	13.22	13.19
81¾	77¼	Funding 6½pc '85-87‡‡	77¼xd	–⅜	8.35	11.71
99½	93⅛	Treas. 12pc 1987	93½xd	–½	12.73	13.36
80½	76⅛	Treasury 7¾pc '85-88‡‡	79½	–½	9.91	12.61
65½	61⅝	Transport 3pc '78-88	64⅛	–½	4.73	10.28
92¾	86¼	Treasury 11½pc 1989	91	–¾	12.80	13.63
93	87	Do. A	91⅝	–⅞	12.91	13.77
67¼	63⅞	Treasury 5pc '86-89	65xd	–⅝	7.66	11.51
101½	95⅛	Treasury 13pc 1990‡‡	100	–¾	13.33	13.48
15 7/16	14	Exch. 12½pc '90 (£15pd)	14	–13/16	13.31	13.71
80⅞	75⅞	Treasury 8¼pc '87-90‡‡	80	–½	10.63	12.38
95⅛	86½	Treasury 11¾pc 1991	91¾	–⅞	13.17	13.78
66¾	62⅝	Funding 5¾pc '87-91‡‡	64¼xd	–½	8.93	11.96
90	84⅝	Exch. 11pc 1991	84⅝xd	–⅞	12.88	13.66
98⅜	91¾	Treasury 12¾pc '92‡‡	97	–¾	13.47	13.70
82⅞	77½	Treasury 10pc 1992	81¾	–¼	12.39	13.41
94½	88¼	Exch. 12¼pc '92	92⅝	–⅝	13.38	13.75
101⅜	95	Exchequer 13½pc '92	98	–¾	13.82	13.90
96¾	90¼	Treasury 12½pc '93‡‡	95⅝	–⅝	13.43	13.68
63⅞	60½	Funding 6pc 1993‡‡	62	–½	9.71	11.98
105⅛	98⅝	Treasury 13¾pc 1993‡‡	104½	–⅞	13.54	13.85
107¼	100½	Treasury 14½pc '94‡‡	104⅞	–⅞	13.98	13.87
104¼	97	Exchequer 13½pc 1994	97xd	–¾	13.77	13.85
95⅝	88½	Exch. 12½pc 1994	93⅞	–½	11.86	13.72
79⅝	74¼	Treasury 9pc '94‡‡	79	–½	11.88	12.81
92⅞	83⅛	Treasury 12pc '95	92½	–¾	13.33	13.61
51¾	48⅛	Gas 3pc '90/95	49¾xd	–⅜	5.99	9.52
83	77⅜	Exch. 10¼pc 1995	82⅛	–⅝	12.78	13.39
100⅛	93⅛	Treasury 12¾pc '95‡‡	99⅛	–¾	13.51	13.64
104⅞	97⅛	Treas. 14pc '96	103¾	–¾	13.84	13.80
76¾	72⅛	Treasury 9pc '92/96‡‡	75¼	–⅜	12.02	12.81

Over Fifteen Years

1981 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
115⅝	106	Treasury 15¼pc '96‡‡	107½xd	–⅝	14.00	13.85
103½	95⅞	Exchequer 13¼pc '96‡‡	102⅝	–¾	13.56	13.61
—		Treas. 2p I.L. (£35pd)‡‡	35	......	2.07	1.92
50¼	48⅛	Redemption 3pc 1986-96	49¾xd	–⅜	6.02	9.12
101⅛	93¼	Treasury 13¼pc '97‡‡	100	–¾	13.58	13.61
83⅞	77	Exchequer 10½pc 1997	83	–½	12.81	13.25
74¾	70½	Treasury 8¾pc 1997‡‡	73¾	–⅜	11.98	12.68
65½	60⅜	Treasury 6¾pc '95-98‡‡	61½xd	–⅛	10.87	12.04
114½	106½	Treas. 15½pc '98‡‡	110⅝xd	–¾	14.01	13.86
95⅛	87⅞	Exch. 12pc 1998	94⅛	–¾	13.36	13.52
96⅝	89¼	Do. A	95⅝	–¾	13.39	13.51
79⅜	74⅛	Treasury 9½pc 1999‡‡	78½	–½	12.41	12.88
94	87½	Exch. 12¼pc 1999	91¼xd	–⅞	13.44	13.59
94⅛	88	Do. 'B'	92⅞	–⅞	13.44	13.58
86	80	Treasury 10½pc 1999	85¼	–⅝	12.89	13.21
100	92¼	Treas. 13pc 2000	99⅛	–¾	13.48	13.52
107¼	99⅞	Treas. 14pc '98-01	106⅝	–⅞	13.76	13.74
93⅛	85⅞	Exch. 12pc '99-02	92¼	–⅞	13.33	13.42
104⅜	96½	Treas. 13¾pc 2000-03	103¼	–⅞	13.64	13.62
90	83⅝	Treasury 11½pc '01-04	87⅞	–⅞	13.14	13.24
41⅛	38½	Funding 3½pc '99-04	40⅜	–⅜	8.82	10.46
99¼	92	Treasury 12½pc '03-05	98⅜	–⅞	13.30	13.33
68¾	63⅞	Treasury 8pc '02-06‡‡	67xd	–⅝	11.92	12.22
92½	85⅛	Treasury 11¾pc 03-07	91⅜	–⅞	13.17	13.22
93⅜	86⅛	Do. 'A'	92⅜	–⅞	13.19	13.23
103⅛	95¾	Treas. 13½pc '04-08	100¾xd	–⅞	13.42	13.42
50⅝	47	Treasury 5½pc '08-12‡‡	49½	–½	11.18	11.53
66¾	62⅞	Treasury 7¾pc '12-15‡‡	65⅝	–½	12.01	12.13
98⅛	91⅛	Exch. 12pc '13-'17	97⅛	–⅞	12.82	12.83

Undated

1981 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
33¼	31¼	Consols 4pc	32⅝	–½	12.50	—
32¼	30½	War Loan 3½pc‡‡	31⅞	–⅜	11.39	—
37⅝	35¼	Conv. 3½pc '61 Aft.	35¾xd	–¼	9.79	—
25	23⅜	Treasury 3pc 66 Aft.	23⅞xd	–¼	12.54	—
21⅛	20	Consols 2½pc	20½xd	–¼	12.17	—
21	19⅜	Treasury 2½pc	20xd	–¼	12.49	—

INTERNATIONAL BANK

1981 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
90½	87	5pc Stock '77-82	90½	......	5.52	12.72

CORPORATION LOANS

1981 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
93¼	91½	Bath 11¼pc 1985	93	–¼	12.10	13.23
98	95½	Birm'ham 12½pc 1985	97¾	–¼	12.79	13.19
101¾	97¼	Burnley 13pc 1987	101½	–¼	13.37	13.66
95½	90	Cardiff 11pc 1986	90¼xd	+¼	12.09	13.34
99⅞	99¼	G.L.C. 12½pc '82	99¾	......	12.53	12.75
99	97	Do. 12½pc 1983	98¾	–⅛	12.66	13.14
94¾	92½	Glasgow 9¼pc '80-82	94½	–⅛	9.79	13.11
75¼	72	Herts 6½pc 1985-87	75	–¼	9.13	12.89
91½	85¼	Liverpool 9¼pc '80-84	91	–¼	10.71	13.36
26	25	Do. 3½pc Irred.	25¾	......	13.82	—
100⅛	98¼	Lon. Corp. 13¼pc '83	100	–¼	13.25	13.23
88¾	83	Do. 9¼pc '84-85	88½	–¼	10.54	13.01
96¾	94	L.C.C. 5½pc '77-81	96¾	......	5.69	12.90
80½	78¾	Do. 5½pc '82-84	80½	......	6.83	12.95
71¼	67¾	Do. 5½pc '85-87	71	–¼	7.93	12.81
70¼	66¼	Do 6¾pc '88-90	70	–¼	9.85	12.59
23¾	23	Do. 3pc '20 Aft.	23¼	......	13.25	—
97¼	95¼	Sunderland 12¼pc 1984	96¾	–¼	12.66	13.35

COMMONWEALTH AND AFRICAN LOANS

1981 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
95	92¼	Aust. 5½pc '81-82	93¼	......	5.90	12.87
87	83½	Do. 6pc 1981-83	87	......	7.06	12.78
67¼	63¾	N.Z. 7¼pc 1988-92	67	......	11.20	13.40
81½	78	Do. 7½pc '83-86	81½	......	9.46	13.08
99½	94¼	Sth. Africa 9½pc '79-81	95¼xd	+¼	9.89	16.85
139	115	S. Rhod. 2½pc Non-Ass.	139	......	—	—
56	43	Do. 3½pc 80-85 Asstd.	56	......	6.27	18.20
36	26	Do. 4½pc 87-92 Asstd.	36	......	12.68	18.70
390	333	Zimbabwe Ann (£100pd)	380	......	—	19.57

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
40	32	Acmex 50c	40	—	Q2.5c	—	3.3
23	14	ACM 20c	16	—	—	—	—
21	14	Argosy Gold NL 25c	20	−1	—	—	—
172	137	Bond Corp.	172	+2	Q7½c	1.9	2.2
[illegible]	76	Bougainville	87	−2	Q26.2c	1.8	15.6

Tins

Copper

Miscellaneous

NOTES

REGIONAL MARKETS

Sheff. Refrshmt	100	+1	
Sindall (Wm.)	135		
T.M.G.	22		
Unidare	62		

OPTIONS

3-month Call Rates

Industrials		I.C.I.	28	Utd. Drapery	6½
A. Brew	7	"Imps"	7	Vickers	14
BOC Intl.	9	I.C.L.	9	Woolworths	5
B.S.R.	4½	Inveresk	3		
Babcock	11	Ladbroke	24	**Property**	
Barclays Bank	40	Legal & Gen.	28	Brit. Land	8
Beecham	15	Lex Service	9	Cap. Counties	11
Blue Circle	30	Lloyds Bank	28	Land Secs.	35
Boots	20	"Lofs"	4	MEPC	29
Bowaters	29	London Brick	6	Peachey	8
B.A.T.	25	Lucas Inds.	20	Samuel Props.	15
Brown (J.)	6½	"Mams"	20	Town & City	2¼
Burton	10	Mrks. & Spncr	9		
Cadburys	6	Midland Bank	32	**Oils**	
Courtaulds	6	N.E.I.	7	Brit. Petroleum	36
Debenhams	8	Nat. West. Bank	32	Burmah Oil	19
Distillers	17	P & O Dfd.	12	Charterhall	11
Dunlop	7½	Plessey	25	KCA	22
Eagle Star	22	Racal Elect.	32	Premier	10
F.N.F.C.	3½	R.H.M.	4	Shell	40
Gen. Accident	30	Rank Org.	16	Tricentrol	34
Gen. Electric	50	Reed Intnl.	18	Ultramar	48
Glaxo	22	Sears	4½		
Grand Met.	14	Tesco	5½	**Mines**	
G.U.S. 'A'	48	Thorn	28	Charter Cons.	20
Guardian	32	Trust Houses	18	Cons. Gold	45
G.K.N.	16	Tube Invest.	18	Lonrho	10
Hawker Sidd.	20	Unilever	58	Rio T. Zinc	45
House of Fraser	15	U.D.T.	4½		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 32

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES

Tuesday March 31 1981

Telecom set to raise £300m

By Jason Crisp

BRITISH TELECOM looks set to win its long standing battle with the Government to be allowed to raise more than £300m to modernise and expand the telephone network. But how it will be allowed to raise the money is still undecided.

After a major setback at the time of the budget the argument in Whitehall has swung strongly in favour of British Telecom. The main reason has been a growing concern about the level of investment in industry, especially in a potential growth business like telecommunications.

The industry is believed to have warned the Government that it would e be seriously damaged by a cut in British Telecom's orders.

The main opponent in the past has been the Treasury, which now appears to have been converted. But it is insisting that British Telecom must find a way of guaranteeing that the borrowings would go into orders for private industry and would not be used to fund high wage deals.

The Post Office Engineering Union, representing half of British Telecom's 240,000 employees put in its pay claim early this year. It is in a powerful position and is likely to want to settle in line with other public sector groups. Last year it was awarded 24 per cent.

The Prime Minister has been in favour of increased investment in British Telecom for some time and is now thought to be urging a rapid decision. The corporation plans to invest £2.2bn in the current financial year to modernise Britain's antiquated telephone network. Government policy on the Public Sector Borrowing Requirement means it can only borrow £180m.

Earlier this year it seemed likely British Telecom might be able to issue "telecom bonds" which would have a return geared to turnover. It would like to raise between £300m and £360m in the coming financial year and similar sums in following years.

British Telecom's hope that this would not count against the PSBR was resisted by the Treasury before the Budget. However, bonds remain one of the most favoured solutions.

Several options for increasing its borrowings are still being considered.

In the short-term it may have its External Financing Limit (EFL) increased in the current financial year. But there is considerable pressure to find a long-term solution which includes some private sector involvement, such as the bond or joint-ventures.

Weather

UK TODAY

Mostly dry with scattered showers in eastern and central districts.

London, S.E. England, Midlands, Channel Islands, Wales, N.W. England, Lake District, Central Northern England
Fog at first, scattered showers, wind north-easterly.

Scotland, Isle of Man, N. Ireland
Fog at first, frost in some parts. Southerly winds. Max. 13C (55F).

N.E. England, Borders,
Mainly dry, fog

N. Scotland
Cloudy, fresh or strong

Outlook:
Sunny intervals after fog in the east.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Alaccio	C	16	61	Lisbon	C	12	54
Algiers	C	16	61	Locarno	R	9	48
Amsdm.	C	13	55	London	C	9	48
Athens	S	9	48	L. Ang.†	C	13	55
Bahrain	S	24	75	Luxmbg.	C	13	55
Barclna.	F	18	64	Madrid	C	12	54
Beirut	S	18	64	Majorca	F	18	64
Belfast	S	11	52	Malaga	C	12	54
Belgrd.	C	17	63	Malta	S	21	70
Berlin	C	16	61	M'chstr	S	11	52
Biarritz.	F	14	57	Melbne.	R	17	63
Bmghm.	C	8	46	Miami†	C	8	46
Blackpl.	S	11	52	Milan	R	13	55
Bordx.	C	17	63	Montrl.†	C	8	46
Boulgn.	C	14	57	Moscow	S	2	36
Bristol	C	9	48	Munich	C	14	57
Brussels	R	13	55	Nairobi	F	23	73
Budpst.	C	15	59	Naples	F	26	79
Cairo	S	23	73	Nwcstl.	C	6	43
Cardiff	C	11	52	N York†	C	14	57
Cas'b'ca	F	17	63	Nice	R	14	57
Cape T.	S	32	90	Oporto	C	13	55
Chicg.†	R	10	50	Oslo	F	6	43
Cologne	F	14	57	Paris	C	15	59
Cpnhgn.	F	8	46	Prague	C	16	61
Corfu	S	21	70	Rykjvk.	C	5	41
Dublin	S	13	55	Rhodes	S	20	68
Dbrvnk.	S	22	72	Rome	F	22	72
Edngbh.	C	10	50	Salzbrg.	C	17	63
Faro	C	15	59	S'ciscot	F	6	43
Florence	C	16	61	Stckhm.	C	4	39
Frankft.	C	15	59	Strasbg.	C	13	55
Geneva	C	9	48	Sydney	F	25	77
Gibrltr.	R	12	54	Tangier	R	13	55
Gl'sg'w	F	11	52	Tel Aviv	S	19	66
G'rnsey.	Fg	8	46	Tenerife	F	14	57
Helsinki	C	2	36	Tokyo	C	10	50
H Kong	C	25	77	Tunis	F	21	70
Innsbrk.	C	19	66	Valencia	C	18	64
Invrnss.	C	13	55	Venice	R	13	55
Istanbul	F	10	50	Vienna	C	15	59
Jersey	C	9	48	Warsaw	F	11	52
Jo'burg	S	20	68	Zurich	C	9	48
L. Plms.	F	19	66				

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder. †Noon GMT temperatures

Rise in borrowing foreseen

BY PHILIP BASSETT, LABOUR STAFF

THE FORECAST central Government borrowing requirement of £12¾bn for the current financial year is likely to rise by between £½bn and £¾bn because of the strikes over pay in the Civil Service, Mr. Leon Brittan, the Chief Secretary to the Treasury, said yesterday.

Mr. Brittan underlined the financial effects of the strikes, aimed at disrupting revenue collection, as the Government acted swiftly on its warning to suspend staff who are refusing to work normally. Yesterday it issued warnings of suspension today to Inland Revenue staff holding up tax payments.

The Treasury estimates that the effect of the strikes is probably higher than the increase in borrowing mentioned by Mr. Brittan, partly because of the offsetting effect of Treasury bill issues and partly because of the volatility of the figures, particularly at the end of the financial year.

Mr. Brittan said there would be a short-term increase in the money supply, though this would be corrected. There was no risk to overall economic management, and the dispute should have no effect on the Government's medium term financial strategy.

Tomorrow's meeting of the National Economic Development Council may be cancelled because the civil service unions intend to picket the Neddy offices in Millbank Tower. This will be the first time there has been such a cancellation in the council's 19-year history. The TUC said last night that Mr. Len Murray, general secretary, and other representatives would not attend the meeting because they were not prepared to cross the picket lines. Since the council is primarily a tripartite body, the Government and the Confederation of British Industry expected last night to decide that the meeting—which would have discussed unemployment, energy costs and regional development—should not go ahead without the unions.

He said three-quarters of normal tax revenues were currently being received by the Exchequer. However, the unions believe this does not disprove their claim of revenue affected, which has been broadly agreed by the Treasury.

The unions estimated last night that if Mr. Brittan's statement excluded the stopping of national insurance contributions, it equalled about £400m. Their own estimate of the revenue stopped per week is about £475m. They think the bulk of the difference can be acounted for by the halting of VAT repayments to traders, which run normally up to £100m a week.

Following the warning at the weekend that the Government would not accept action amounting to a breach of contract, the Inland Revenue yesterday sent instructions to its 15 regional offices on the suspension of staff who were refusing to process or bank cheques normally handled by the Revenue's two strike-bound computer centres.

In a telex to controllers, the Revenue told them to choose an office in the region "where there is the clearest indication of refusal to carry out normal duties."

It said that this "regrettable but necessary task" should be carried out by the principal regional officer in each region, who should ask the collector in charge at the selected local office first to divulge the numbers and accounts of unbanked cheques and secondly to bank them immediately.

If the collector refused, he should be told by letter that he would be suspended from 2 pm today, and sent home for 24 hours to consider. If the collector was willing to perform his duties but his staff were not, staff lower down the scale should be asked progressively.

Disciplinary action possible, Page 13

Eurofer closer to steel output pact

BY JOHN WYLES IN BRUSSELS

EUROPE'S leading steel producers appear to be on target for a new voluntary production pact involving higher prices provided Klöckner Werke, a large West German steelmaker, moderates its hardline quota demands.

This was the consensus here yesterday as officials mulled over the results of a 15-hour bargaining session in Luxembourg on Sunday between the 15 leading members of Eurofer, the EEC steel producers' organisation.

Some of the participants apparently believe that an agreement on price rises of between 12 and 14 per cent from July 1, together with new production quotas can be achieved by Easter provided combined European Commission and West German Government pressure can wring a more compromising approach out of Klöckner.

It is hoped that this will start to emerge when negotiations resume on Thursday.

There is said to be a "huge gap" between Klöckner's demands for a hot-rolled coil quota and what the other companies believe is available.

The other 14 have more or less signalled their acceptance of the proposed quotas for coil, which accounts for around 80 per cent of their production.

The short Eurofer communiqué revealed that there was "complete agreement" on quotas covering heavy plate and sheet production and general agreement covering heavy beams with only one company (unnamed but, it is understood, not Klöckner) still dissenting.

This represents solid progress at what was only the second Eurofer negotiating session since the EEC Council of Ministers set April 1 as a deadline for agreement on voluntary quotas.

While the deadline will clearly not be met, most governments seem to be happy to wait until Easter for a credible voluntary pact.

Salzgitter chief hits subsidies, Page 27

Government gives fishermen £25m aid

BY RICHARD MOONEY

BRITISH FISHERMEN are to receive another £25m of special government aid to tide them through thenr present financial difficulties.

Mr. Peter Walker, Minister of Agriculture, said in the Commons yesterday the decision confirmed the Government's determination "to see that the British fishing industry continues to make an important contribution to our economy and continues in readiness for taking full advantage of a common fishing policy when negotiations are completed."

He had earlier reported to the House how talks held in Brussels on Friday to try to thrash out the final details of the policy had ended in failure. Mr. Roy Mason, the shadow agriculture and fisheries spokesman, who welcomed the aid announcement, blamed the failure of the talks on the French. There might be no progress on the issue until after the French elections in six weeks' time, he said.

Mr. Walker said the aid was based on a government review of the fishing industry which showed that markets were weak and that increasing costs and continuing uncertainty were hitting the fleets hard.

The money will be shared out among vessel owners, probably according to catching capacity, to help defray costs. In a similar scheme announced last August £14.1m was shared out with payments ranging from £225 for boats under 35 feet up to £25,200 for big freezer-trawlers of 190 feet or more.

But with operating costs for the biggest boats running at that time up to £3,000 a day, the British Fishing Federation (BFF) said that the money would keep vessels at sea for days rather than weeks.

Record £808m loan arranged

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE CITY of London has arranged a $1.8bn (£808m) financial package to cover the contract value of a complete power station to be supplied by a British consortium to the China Light and Power Company in Hong Kong.

The package is the largest ever to be put together in the City to finance a project, and is also the biggest to be supported by the Export Credits Guarantee Department.

It emerged yesterday as a critical element in the success of the consortium in Hong Kong, which was led by the British Government and includes GEC as the main contractor with Babcock Power as the major subcontractor.

The order, to design and supply a 2,640 MW coal-fired power station, will secure between 5,000 and 7,000 jobs in the British power plant and engineering industries, over the next seven years.

The GEC factories that will benefit immediately are in Rugby, Manchester, Stafford, Liverpool and Larne in Northern Ireland. Babcock Power's work goes to its factory at Renfrew in Scotland.

Mr. Kenneth Baker, Minister of State for Industry, said yesterday that the contract was "a very good example of where the public and private sectors of industry can co-operate."

China Light and Power is expected to form a subsidiary company to operate the new power station at Castle Peak in the New Territories, in which Exxon, the U.S. oil corporation, will have a 60 per cent stake. The first 660 MW unit is expected to be in commercial operation around the beginning of 1986.

The financial package, arranged by City bankers Schroder Wagg, is a larger sum than the face value of the contracts, allowing for cost escalation. The Export Credits Guarantee Department is covering 85 per cent of the package.

How the order was won Page 19

Blue Circle to modernise cement plants

BY ANDREW TAYLOR

A £100m modernisation programme was announced yesterday by Blue Circle Industries, the largest British cement manufacturer. The cash will be spent on a new £80m cement works in Oxfordshire and improvements to the company's Northfleet works in Kent.

The new plant at Shipton-on-Cherwell, near Oxford, will be built—subject to a feasibility study—next door to Blue Circle's existing works, which it plans to close once the new plant begins operating.

The new energy efficient plant, is expected to have an annual capacity of 500,000-750,000 tonnes. The existing works, built about 1929, has an annual capacity of 350,000 tonnes.

However, over the past two years it has been producing only some 100,000 tonnes yearly. Output has fallen as the construction industry has moved deeper into recession and cement orders declined.

Belgian franc Continued from Page 1

a year, about double the rate of about two years ago.

Mr. Martens is also proposing to change the indexation system from the beginning of next year to exclude price rises on petrol, tobacco and alcoholic drink, together with changing the Belgian system of pegging the retail price of petrol to dollar rates and the Rotterdam oil spot market.

Ironically, the existence of indexation has long been held up by the Government as the main argument against devaluation.

Indeed Mr. Martens has consistently argued that, because of indexation, any devaluation would result in the higher cost of imports quickly working its way through the Belgian economy, with a big bout of inflation soon cancelling out any benefit to exports.

The Socialists, the junior partners in the coalition, have so far supported the Government's economic recovery plan, based on austerity measures, at the risk of alienating the bulk of their traditional supporters, the unions.

However, this support was gained only by the Government's promise to leave the indexed wage rises untouched.

In the event of the Coalition breaking apart, the likelihood would be immediate talks between the Christian Democrats and the third Belgian political "family," the right-wing Liberals.

Poland Continued from Page 1

next Congress which means that they are certain to lose their place in the leadership

Jurek Martin adds from Washington: President Reagan and Herr Helmut Schmidt, the West German Chancellor, agreed yesterday that further economic assistance to Poland would be out of the question if the Soviet Union, directly or indirectly, moved to suppress the Polish people.

The White House press secretary, Mr. James Brady, reporting on a telephone conversation between the two heads of Government yesterday morning, made the point that such a proscription would apply regardless of whether the Soviet Union acted on its own account or if the Polish authorities cracked down.

Mr. Brady said that Herr Schmidt and President Valery Giscard D'Estaing of France had also been in direct contact yesterday in an attempt to coordinate Western responses in the event of repression.

Call for restrictions on fund dealing

By Christine Moir

PROFESSIONAL MANAGERS who look after other people's funds "should be restricted in their personal dealings in securities," the Council for the Securities Industry advocated yesterday.

This is "to enure that they do not find themselves in real or apparent conflict with the interests of their beneficiaries the overall City watchdog body set up by the Bank of England in 1978," the council says in the preamble to a set of guidelines for fund managers.

Restrictions

The council has compiled a basic set of restrictions and reporting requirements to cover personal dealings by fund managers, without alienating their rights "to endeavour to manage their own affairs efficiently."

The guidelines are not statutory, but the CSI is pressing its member organisations to enforce them in the same way as the Stock Exchange enforces the model code for dealings by directors of companies. The member organisations cover the pension fund movement, life offices, investment and unit trust associations, and merchant banks.

Undertaking

Fund managers will be required by their parent organisations to sign an undertaking that they have studied the legislation on insider dealings and the model code. They must also tell their brokers of the details of any "in house" code of practice which goes further than the CSI guidelines.

These have been compiled from the existing best practices in most fund management organisations. They are designed as preventive measures, to clarify responsibilities and help remove doubts. The CSI says "there is no reason to believe that the subject is at present in special need of attention."

Investment managers' guidelines, Page 10

THE LEX COLUMN

Ocean steady on course

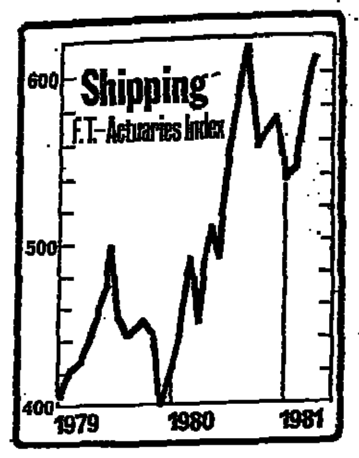
Ocean Transport has maintained the momentum of early 1980 through the second half of the year, and pre-tax profits have risen to £33.4m (before ship disposals) against £16.1m. But earnings are still below the level of the mid-1970s, and having maintained its dividend through two very difficult years, Ocean has felt it need do no more this time than round it up from 8.9p to 9p.

The recovery is largely in the shipping subsidiaries, among which Barber Blue Sea, especially on the U.S./Middle East run, and Straits Steamship in the Far East did particularly well. The West African liner trades have not fulfilled the promise of the first half, however, and although the bulk carriers have performed well overall, some favourable charters are beginning to run off.

Ocean's associates contributed £22.2m pre-tax (against £18m) last year, but OCL, by far the most important of them, is forecasting lower profits for 1981, and the group as a whole is looking for no more than "maintained" results. Still, Ocean is in better shape than for years; its fleet replacement programme is now complete and it was able to repay debt in 1980, a process which should continue in the present year.

The young fleet means a high depreciation charge, and a relatively modest additional adjustment in the CCA figures which the group has provided for the first time (and which it suggests should not be taken too seriously). For what it is worth, they show cover of 1.9 times for the dividend. At 146p, near a four-year high, the shares yield 9.1 per cent.

Index fell 2.5 to 518.8



Barclays

Barclays Bank's proposed tapping of the U.S. domestic bond market will require various new financial disclosures to be made over and above the information which shareholders will find in the annual report which they receive today. Previous international bond issues by British banks have generally been on the Eurobond market, which is much less fussy about disclosures than the markets in the homeland of the Securities and Exchange Commission.

Already various extra-statutory disclosures have been conceded by the UK clearing banks. Barclays publishes items like net interest income (up two-thirds in the past two years) and operating costs (up 59 per cent in the same period) which dramatically illustrate the buoyancy of banking business in a period of high interest rates and rapid monetary growth. There is also a sort of profits breakdown, though this seems rather haphazard—profits figures for Barclays Merchant Bank and Mercantile Credit, but not for Barclaycard. Barclays also gives a certain amount of information on the geographical spread of deposits, although there is no guidance on the split of earnings.

The big gap is in disclosure of the term structure of deposits and lending. Sir Anthony Tuke, in his valedictory chairman's statement, suggests that the clearing banks should have grasped the "medium-term nettle" 25 years ago, and even now there is no reflection in the accounts of how far the bank has progressed in this direction—not even a split between retail and wholesale deposits. Some of these details, however, could soon come, by courtesy of the SEC.

Rough stuff

The Australian stock market is not a place for softies, especially when it comes to a full-blooded takeover battle. The latest twists in the battle for the diversified industrial company, Elder Smith Goldsbrough Mort, would scare the pinstripes off London's Takeover Panel.

Briefly, the story so far: Mr. Robert Holmes a'Court, the dashing but apparently not universally loved chairman of the Bell Group, makes a partial bid for asset rich Elder and buys a 19.9 per cent shareholding. The Adelaide financial establishment responds by buying 19.9 per cent itself. Elder's share price goes up, not a little, and Bell sells out at the top to buyers unknown. Strong words all round, since it seems possible that the buyers of all those Elder shares might just have been acting in concert—and under Australian rules, anyone who buys more than 19.9 per cent of a company must offer to buy the rest.

Now Elder has turned round with an offer of its own, for the food and malt group Henry Jones, a third of which is currently owned by Carlton and United Breweries. And Carlton, to keep things cosy, is buying 19.9 per cent of Elder from the group of friends which saw off Bell. As a result, it could end up with nearly 30 per cent of the enlarged group.

Still with us? The only obvious losers in all this are the independent shareholders in Elder, which is paying a fat price for Jones. The obvious winner is Mr. Holmes a'Court, who nets a profit of A$16½m. But there is no room for complacency, since it is rumoured that Mr. Holmes a'Court, who last year expressed an interest in Rolls-Royce Motors, is again turning his eyes to the UK.

Freemans

Freemans has had a rather better Christmas than it bargained for at the interim stage, when it was talking of pre-tax profits below £5m in the second half. The figure is in fact slightly over £5½m, but that still leaves the total for the year to January down from £15.5m to £10.6m.

The company's new telephone ordering service may have helped sales both over Christmas and at the beginning of the present year, for which Freemans reports an encouraging start. But the attack on consumer purchasing power in the Budget makes the whole picture darker.

The recruitment of new agents should bring some increase in volume this year, even on lower sales per agent, but costs are rising a good bit faster than prices. Still, Freemans will benefit from a higher gross margin, even though its prices are only 7 per cent up in the last year.

Like the mail order houses in general, Freemans' earnings come out worse under current cost accounting than those of the stores. In its case the 1980-81 monetary working capital adjustment is £4m and current cost earnings cover only half the dividend. Yesterday the shares rose 8p to 134p in relief that the figures were not worse; at this price the yield is just 4 per cent and the prospective p/e ratio, on a fully-taxed basis, is in the high teens.

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